

**Village of
Round Lake Beach, Illinois**

Annual Financial Report

Year ended April 30, 2009

Village of Round Lake Beach, Illinois
Annual Financial Report
For the Year Ended April 30, 2009

TABLE OF CONTENTS

	<u>PAGE</u>
Table of Contents	i - ii
INTRODUCTORY SECTION	
Trustees and Officials	iii
Organizational Chart	iv
FINANCIAL SECTION	
Independent Auditors' Report	1 - 2
Management's Discussion and Analysis	3 - 10
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Assets	11
Statement of Activities	12 - 13
Fund Financial Statements	
Balance Sheet – Governmental Funds	14 - 15
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	16 - 17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Statement of Net Assets – Proprietary Fund	19
Statement of Revenues, Expenses, and Changes in Net Assets – Proprietary Fund	20
Statement of Cash Flows – Proprietary Fund	21 - 22
Statement of Fiduciary Plan Net Assets – Police Pension Fund	23
Statement of Changes in Fiduciary Plan Net Assets – Police Pension Fund	24
Index for the Notes to the Financial Statements	25 - 26
Notes to the Financial Statements	27 - 64
Required Supplementary Information (Unaudited)	
Schedule of Funding Progress – Illinois Municipal Retirement Fund	65
Schedule of Funding Progress – Police Pension Fund	66

(Continued)

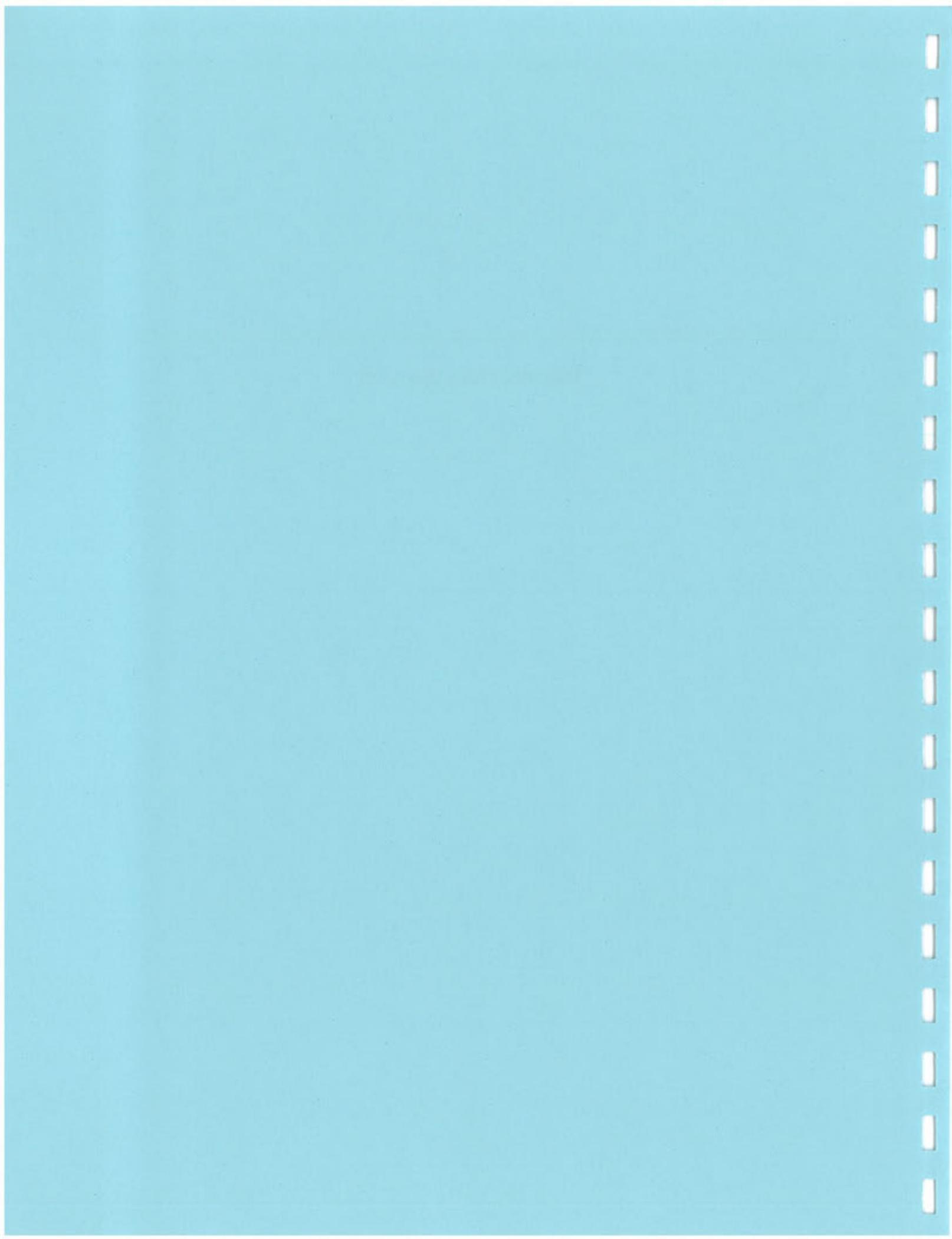
Village of Round Lake Beach, Illinois
Annual Financial Report
For the Year Ended April 30, 2009

TABLE OF CONTENTS

	<u>PAGE</u>
FINANCIAL SECTION (CONTINUED)	
Required Supplementary Information (Unaudited) (Continued)	
Schedule of Revenues, Expenditures, Other Financing Sources, and Changes in Fund Balance – Budget and Actual – General Fund	67
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – TIF #2 Special Revenue Fund	68
Notes to the Required Supplementary Information	69 - 70
Supplementary Information	
Schedule of Revenues – Budget and Actual – General Fund	71 - 72
Schedule of Expenditures – Budget and Actual – General Fund	73 - 79
Combining Balance Sheet – Nonmajor Governmental Funds	80 - 81
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	82 - 83
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual Special Revenue Funds	84 - 85
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual – Debt Service Funds	86 - 87
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual – Capital Projects Funds	88 - 89
Schedule of Revenues, Expenses, and Changes in Net Assets – Budget and Actual - Waterworks and Sewerage Fund	90

(Concluded)

Introductory Section



VILLAGE OF ROUND LAKE BEACH, ILLINOIS

TRUSTEES AND OFFICIALS

April 30, 2009

LEGISLATIVE

VILLAGE BOARD OF TRUSTEES

Richard Hill, Village President

Jerry Mattingly

Tom Smith

Judy Armstrong

Larry Mount

Susan Butler

Sylvia Valadez

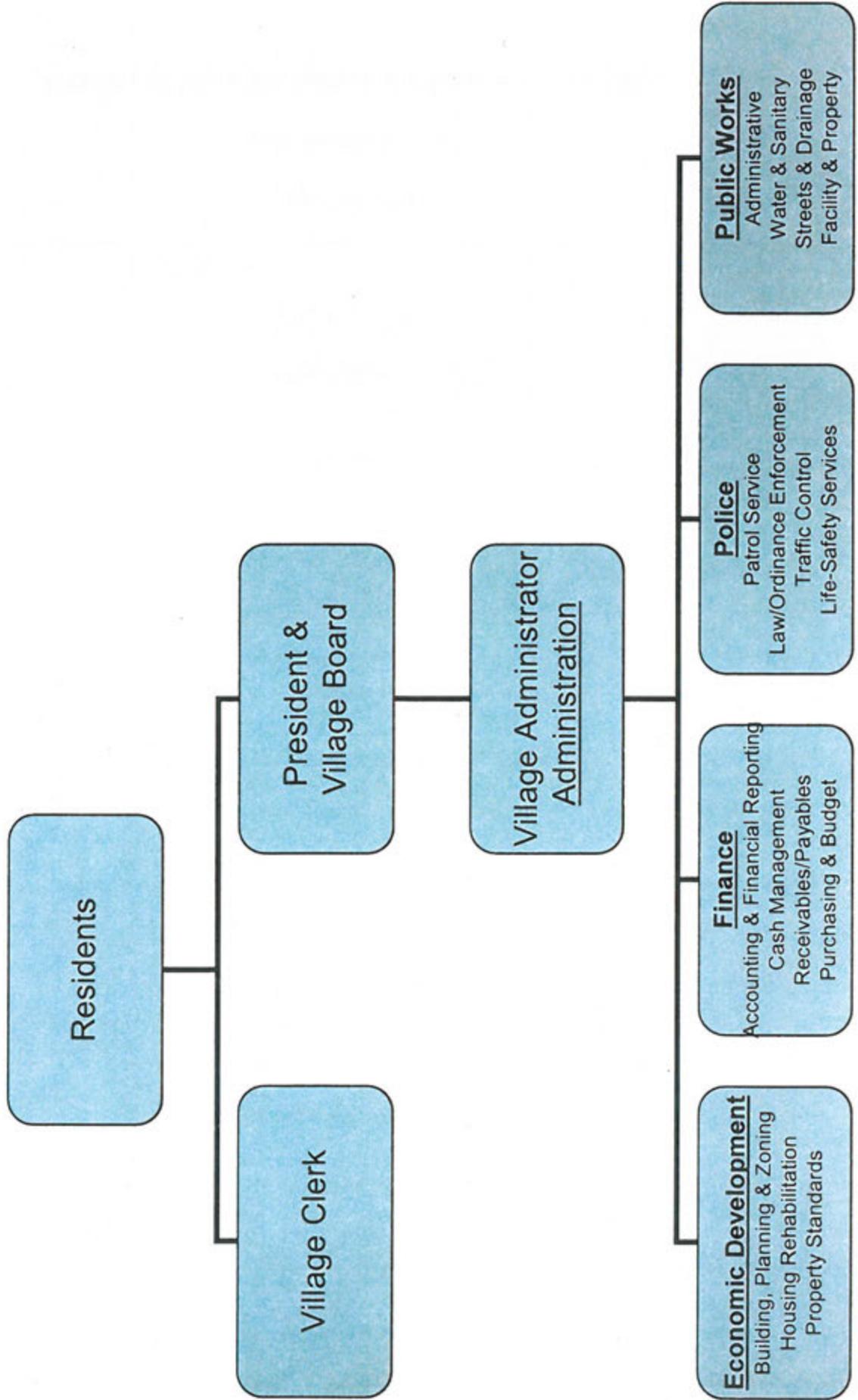
ADMINISTRATION

David Kilbane, Village Administrator

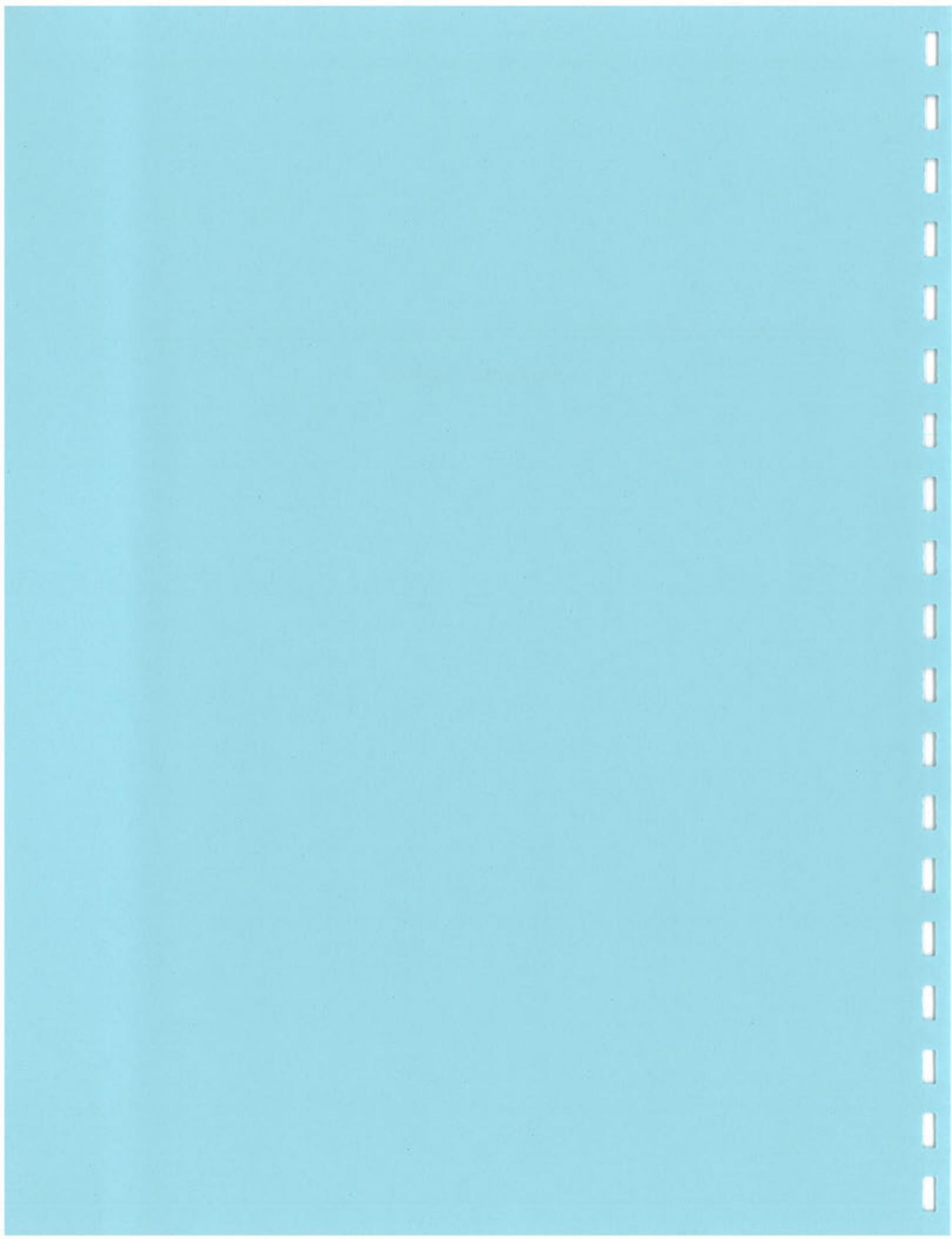
DEPARTMENT OF FINANCE

Patrice Sutton Burger, Finance Director

VILLAGE OF ROUND LAKE BEACH



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, 2009, 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, 2009, 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)

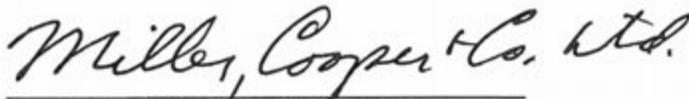
The Honorable President and
Members of the Board of Trustees
Village of Round Lake Beach, Illinois

(Continued)

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 65 through 70 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

Deerfield, Illinois
October 22, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of the Village of Round Lake Beach provides this narrative overview of the financial statements for the fiscal year ended April 30, 2009. It is intended to be read in conjunction with the financial statements.

Financial Highlights

- The Village's net assets increased by \$3,228,718 (3.0%) during the fiscal year ended April 30, 2009.
- The governmental activities net assets increased by \$1,829,163 (1.9%) to \$95,586,611. Business-type activities net assets increased by \$1,399,555 (10.2%) to \$15,085,516.
- The Village reported a combined fund balance of the governmental funds of \$18,240,131, an increase of 1.3%, or \$225,952.
- The Village's General Fund also reported an increase in fund balance of \$99,574 (1.5%) to \$6,593,032.
- Operations funded by the Village's General Fund cost \$287,899 (3.0%) more than in Fiscal Year 2008, while General Fund revenues decreased by 1.9%, or \$192,458, compared to the prior fiscal year.
- The Village's General Fund actual revenues were short of the budgeted amounts by 5.6% and the actual expenditures were under the budgeted amounts by 6.5%.
- The Village's Total Government outstanding long-term debt decreased by 5.1% compared to Fiscal Year 2008.

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 report highlights the cost and amount of subsidy required for some government activities. "Governmental activities" are those functions of the Village that are funded primarily by taxes and intergovernmental revenues, while "business-type activities" are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the Village include general government, public safety, community 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 80 – 83.

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

Proprietary funds. The Village has only one proprietary fund, the Waterworks and Sewerage Fund. The revenues and cost of the services are reported in this section. In proprietary funds, the goal is to match the fee charged to the customers to the full cost of providing the service, including noncash costs such as depreciation of capital assets. This fund is presented on pages 19 - 22.

Fiduciary funds. The Village is the fiduciary for the Police Pension Fund. These activities are excluded from the Village's other financial statements because the Village cannot use these assets to finance its operations. The Village is responsible for ensuring that the assets reported in these funds are used for their intended purposes, but has no direct management of the money in this fund. The Police Pension Fund activities are reported separately in the Statement of Fiduciary Plan Net Assets and the Statement of Changes in Fiduciary Plan Net Assets, on pages 23 – 24.

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 25 - 64.

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 \$112,501,290 at the end of the most recent fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Nearly eighty percent of total net assets is investment in capital assets, net of related debt, while 10.3% is restricted in its use by external sources. The remaining 10.1% 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, 2009, to April 30, 2008.

Village of Round Lake Beach – Net Assets

	Governmental Activities		Business-type Activities		Total Government	
					2009	2008
Assets						
Current and Other Assets	\$ 27,001,967	\$ 27,347,871	\$ 7,298,048	\$ 7,157,033	\$ 34,300,015	\$ 34,504,904
Capital Assets	103,888,120	103,637,955	11,928,158	10,761,728	115,816,278	114,399,683
Total Assets	130,890,087	130,985,826	19,226,206	17,918,761	150,116,293	148,904,587
Liabilities						
Current Liabilities	8,580,541	9,119,009	1,780,662	1,779,559	10,361,203	10,898,568
Long-term Liabilities	24,893,772	26,280,206	2,360,028	2,453,241	27,253,800	28,733,447
Total Liabilities	33,474,313	35,399,215	4,140,690	4,232,800	37,615,003	39,632,015
Net Assets						
Invested in Capital Assets, Net of Debt	79,851,265	77,890,585	9,645,944	8,381,253	89,497,209	86,271,838
Restricted	11,647,100	11,546,504	-	-	11,647,100	11,546,504
Unrestricted	5,917,409	6,149,522	5,439,572	5,304,708	11,356,981	11,454,230
Total Net Assets	\$ 97,415,774	\$ 95,586,611	\$ 15,085,516	\$ 13,685,961	\$ 112,501,290	\$ 109,272,572

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following table shows the revenues and expenses of the Village's activities, broken out by type, comparing Fiscal Year 2009 to Fiscal Year 2008.

Village of Round Lake Beach Changes in Net Assets for the Fiscal Years ended April 30, 2009 and 2008

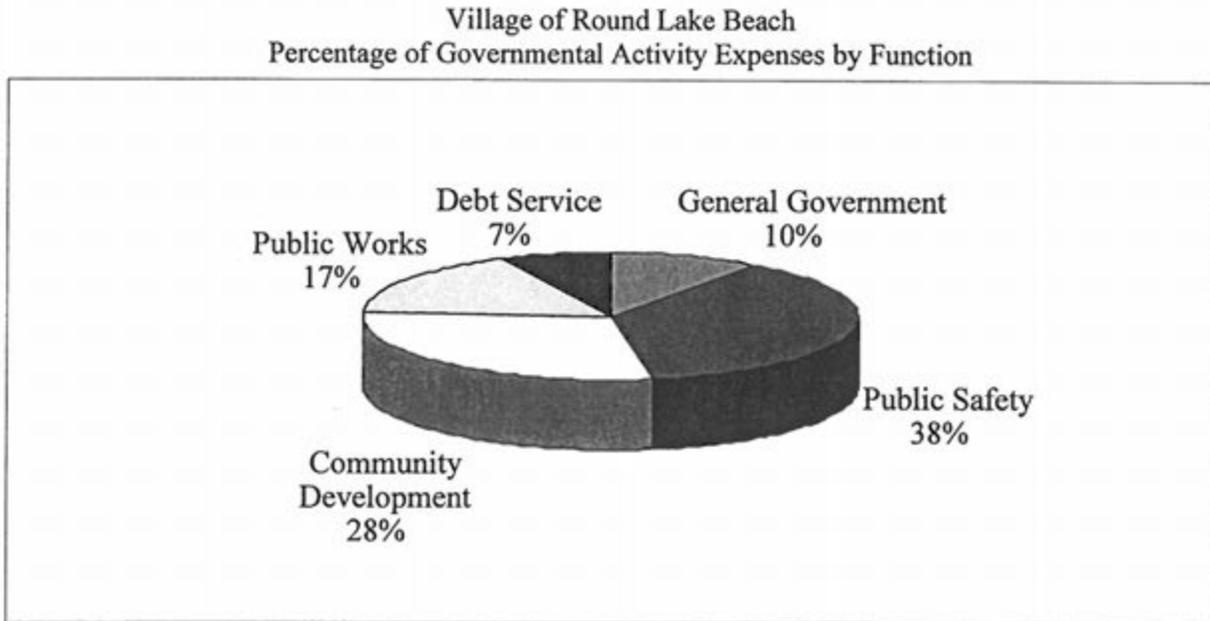
	Governmental Activities		Business-type Activities		Total Government	
	2009	2008	2009	2008	2009	2008
Revenues						
Program Revenues						
Charges for Service	\$1,277,333	\$1,186,714	\$3,990,272	\$4,054,168	\$5,267,605	\$5,240,882
Operating Grants	719,462	770,684	-	-	719,462	770,684
Capital Grants/Contributions	96,253	429,400	1,549,683	1,343,479	1,645,936	1,772,879
Taxes						
Property Taxes	6,295,538	5,553,661	-	-	6,295,538	5,553,661
Sales Taxes	5,014,792	5,038,842	-	-	5,014,792	5,038,842
Other Revenue	5,133,179	5,973,610	93,028	270,738	5,226,207	6,244,348
Total Revenues	18,536,557	18,952,911	5,632,983	5,668,385	24,169,540	24,621,296
Expenses						
General Government	1,644,926	1,641,657	-	-	1,644,926	1,641,657
Public Safety	6,325,907	5,873,764	-	-	6,325,907	5,873,764
Community Development	4,704,634	4,600,991	-	-	4,704,634	4,600,991
Public Works	2,818,113	2,673,457	-	-	2,818,113	2,673,457
Debt Service	1,213,814	1,225,601	-	-	1,213,814	1,225,601
Water	-	-	4,233,428	4,225,254	4,233,428	4,225,254
Total Expenses	16,707,394	16,015,470	4,233,428	4,225,254	20,940,822	20,240,724
Excess	1,829,163	2,937,441	1,399,555	1,443,131	3,228,718	4,380,572
Net Assets						
Beginning of Year	95,586,611	18,721,182	13,685,961	12,242,830	109,272,572	30,964,012
Prior Period Adjustment	-	73,927,988	-	-	-	73,927,988
Total Net Assets - End of Year	\$97,415,774	\$95,586,611	\$15,085,516	\$13,685,961	\$112,501,290	\$109,272,572

In the governmental activities, total revenues decreased by \$416,354 (2.2%) compared to Fiscal Year 2008. The most significant declines were in the grant revenue categories (operating grants as well as capital grants and contributions), which decreased 78.0%, and the "Other Revenue" category, which declined by 14.1%. "Other Revenue" includes income tax, utility taxes, amusement tax, use tax, and investment income, along with other miscellaneous income. Sales tax, including the municipal share of the state income tax along with the home rule sales tax, declined by a very slight amount (\$24,050, or 0.5%). These declines were offset by increased revenue in Charges for Service and Property Taxes, compared to Fiscal Year 2008.

Governmental activity expenses increased by \$691,924 over Fiscal Year 2008, or 4.3%. The departments with the highest increases were the two largest departments at the Village, the Public Safety and Public Works Departments (7.7% and 5.4% increases, respectively). Personnel costs and increased operating expenses drove these increases. There was also a significant increase over Fiscal Year 2008 in the police pension contribution (13.9%) of \$83,629 to \$685,150.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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



For business-type activities (the Waterworks and Sewerage Fund), revenues and expenditures remained consistent with Fiscal Year 2008 levels. Revenues declined by a very slight amount (less than 1%) due to slightly lower demand for water (1.6% decline in water consumption compared to Fiscal Year 2008). Expenses increased by only a very slight amount (\$8,174 or 0.2%) due to ongoing cost containment.

The detailed revenues and expenditures compared to their budgeted amounts for the business-type activities can be found in the Supplementary Information section on page 90.

Financial Analysis of the Village's Funds

Governmental Funds. The focus of the Village's governmental funds statements on pages 14 - 18 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, 2009, the governmental funds reported a combined fund balance of \$18,240,131, which is a 1.3% increase over Fiscal Year 2008. The biggest increase in fund balance occurred in the TIF#1 Capital Projects fund, which increased by 62.0%. This is due to the timing of the capital improvement projects in this fund which are large in scale and span several fiscal years.

Of the total fund balance, \$6,139,222 is unreserved, meaning that it is available for ongoing Village services. The unreserved fund balance increased by \$102,221 (1.7%) over Fiscal Year 2008. Both revenues and expenditures came in significantly under budget, but the Village was able to curtail spending to offset the lower-than-budgeted revenues. Of the remaining fund balance, \$2,242,282 is reserved for capital projects and street improvements; \$7,158,843 is reserved for economic development; \$2,245,974 is reserved for debt service; \$95,204 is reserved for advances and prepaid expenses; and \$358,606 is reserved for property held for resale.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The General Fund is the Village's primary operating fund and the largest source of day-to-day service delivery. The General Fund increased by \$99,574 or 1.5%, despite declining revenues in all major categories.

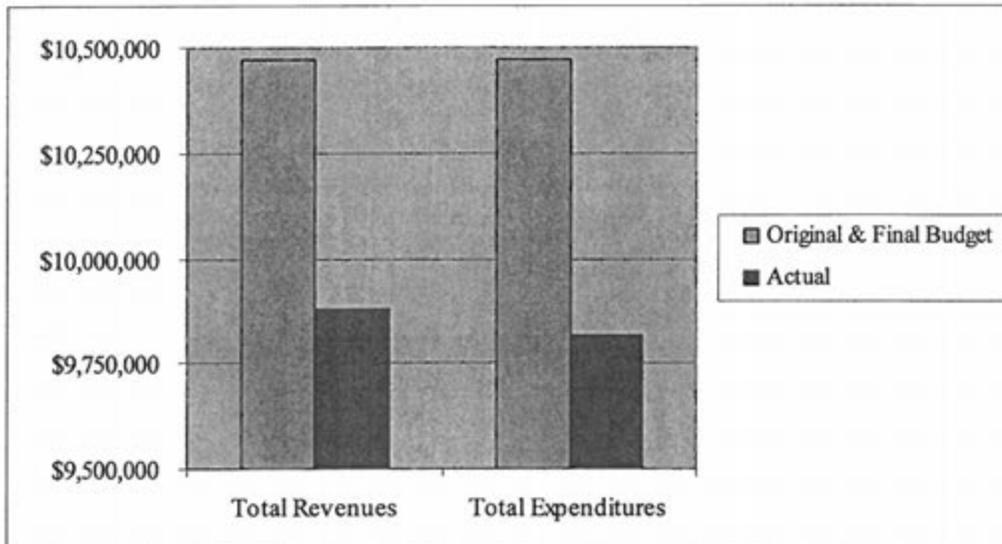
General Fund Budgetary Highlights

The General Fund actual revenues fell short of the original budgeted revenues by \$583,203 for Fiscal Year 2009. Revenue sources that fell short of the budgeted amounts were intergovernmental revenues (primarily sales tax, use tax, and income tax) which were 2.8% or \$137,401 under budget; fines, which were 26.0% or \$158,492 under budget; and interest, which was 40.2% or \$55,216 under budget.

The General Fund's total actual expenditures were \$682,777 under the General Fund budgeted amount of \$10,472,585. Due to the slumping economy and early recognition of lagging revenues, all departments engaged in cost containment and limited expenditures to necessary spending only. The Public Safety Department came in \$291,483 under budget, due to the fact that it was not operating at its authorized staffing level. In addition, housing purchases and sales for the Village's Housing and Redevelopment Program (HARP) are budgeted so as to appropriate funds and signal the Village's intentions. However, a line of credit is used to fund the purchases and is reimbursed upon sales, so these budgeted amounts were not used. This resulted in \$240,000 in unspent budget in the Economic Development Department.

The following chart highlights actual performance against the budget.

Village of Round Lake Beach
General Fund
Actual Expenditures vs. Original & Final Budget



MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Assets

Capital assets include land, land improvements, buildings, infrastructure, equipment and construction in process. The Village's investment in capital assets for its governmental and business-type activities as of April 30, 2009, amounts to \$115,816,278 (Note 5). This is a \$1,416,595 (1.2%) increase over Fiscal Year 2008.

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

	Governmental Activities		Business-type Activities		Total Government	
	2009	2008	2009	2008	2009	2008
Land	\$ 4,584,247	\$ 5,361,380	\$ 79,258	\$ 79,258	\$ 4,663,505	\$ 5,440,638
Buildings	9,970,724	9,843,508	319,747	332,803	10,290,471	10,176,311
Wells and pumping stations	-	-	497,368	499,732	497,368	499,732
Sewer and water system	-	-	10,645,919	9,477,896	10,645,919	9,477,896
Infrastructure	81,739,879	81,110,304	-	-	81,739,879	81,110,304
Equipment, furniture, vehicles	1,071,080	1,053,439	244,999	172,018	1,316,079	1,225,457
Land improvements	3,407,264	1,729,556	-	-	3,407,264	1,729,556
Construction in progress	3,114,926	4,539,768	140,867	200,021	3,255,793	4,739,789
Total Net Assets	\$ 103,888,120	\$ 103,637,955	\$ 11,928,158	\$ 10,761,728	\$ 115,816,278	\$ 114,399,683

Long-Term Debt Outstanding

The Village had a total of \$27,253,800 in debt outstanding as of April 30, 2009. This is a \$1,479,647 (5.1%) decrease over last year. No new bonds were issued but there were slight increases in leases payable, compensated absences, and net pension obligations.

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 \$15,275,000 represents 3.5% of the Village's equalized assessed valuation of \$442,120,778.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

The Village of Round Lake Beach
Long-Term Debt Outstanding as of April 30, 2009 and April 30, 2008

	Governmental Activities		Business-type Activities		Total Government	
	2009	2008	2009	2008	2009	2008
General Obligation Bonds	\$ 15,275,000	\$ 16,035,000	\$ -	\$ -	\$ 15,275,000	\$ 16,035,000
TIF Revenue Bonds	3,375,000	4,215,000	-	-	3,375,000	4,215,000
Incremental sales tax revenue notes payable	5,285,992	5,404,337	-	-	5,285,992	5,404,337
Leases payable	199,881	93,033	-	-	199,881	93,033
Compensated absences	267,842	255,533	77,814	72,766	345,656	328,299
Net pension obligations	296,714	277,303	-	-	296,714	277,303
Net other postemployment benefits	193,343	-	-	-	193,343	-
Illinois EPA loan payable	-	-	2,282,214	2,380,475	2,282,214	2,380,475
Total Outstanding Debt						
	\$ 24,893,772	\$ 26,280,206	\$ 2,360,028	\$ 2,453,241	\$ 27,253,800	\$ 28,733,447

Additional information regarding the Village's outstanding debt is available in Note 10.

Economic Factors and Next Year's Budget

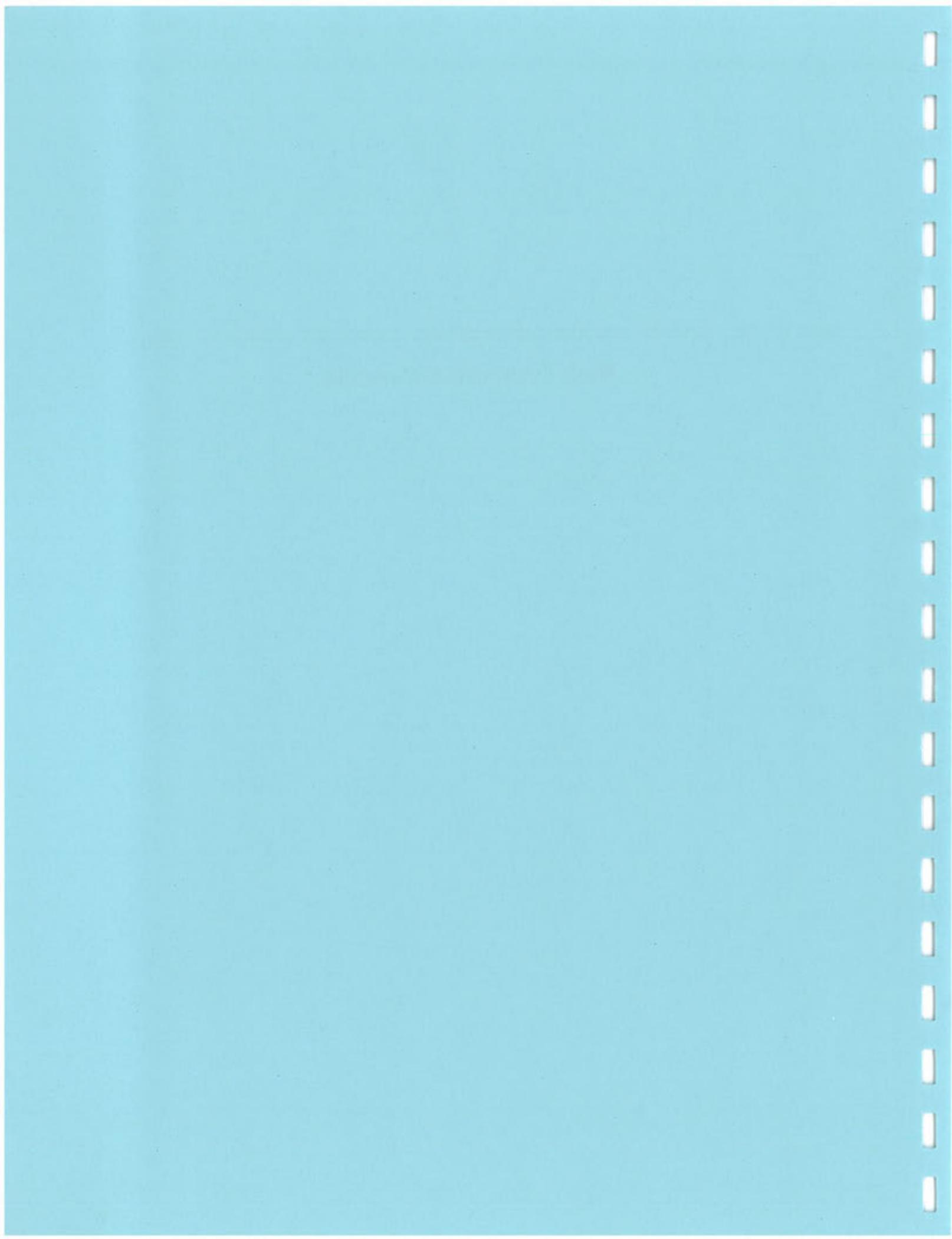
The Village estimated very flat revenue growth for next year, passing a Fiscal Year 2010 General Fund budget that is only 0.3% over the Fiscal Year 2009 budget. The Village's conservative budget philosophy anticipates the current economic recession to impact Village revenues through Fiscal Year 2011. The Village recognized the need to decrease non-personnel operating expenditures to offset declining revenues, decreasing certain operating expenditures through process changes and efficiency measures and delaying other expenditures until a future budget.

The budget for Fiscal Year 2010 includes a total in all funds of \$31,155,960 in revenues and \$31,155,960 in expenditures. The Fiscal Year 2010 Village-wide budget is an 0.8% increase over the Fiscal Year 2009 budget. The only significant change in the budgeted amounts is a 15.8% increase in the Special Revenue Funds, specifically the Housing and Redevelopment Fund, which is increasing by 74%. This is due to anticipated increased activity in purchasing homes for rehabilitation and resale due to the ailing housing market.

Requests for Information

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

Basic Financial Statements



Village of Round Lake Beach, Illinois
STATEMENT OF NET ASSETS
April 30, 2009

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 16,771,726	\$ 5,785,624	\$ 22,557,350
Receivables			
Property taxes	6,688,324	-	6,688,324
Accounts	-	1,448,319	1,448,319
Other	383,169	57,781	440,950
Prepaid expenses	2,381	6,324	8,705
Due from other governments	2,346,910	-	2,346,910
Property held for resale	358,606	-	358,606
Net deferred bond issuance costs	450,851	-	450,851
Capital assets			
Capital assets not being depreciated	7,699,173	220,125	7,919,298
Capital assets (net of accumulated depreciation)	96,188,947	11,708,033	107,896,980
Total assets	130,890,087	19,226,206	150,116,293
LIABILITIES			
Accounts payable	867,909	179,099	1,047,008
Sewer fees payable to Lake County	-	747,407	747,407
Accrued payroll	273,691	36,052	309,743
Accrued interest payable	269,556	-	269,556
Other payables and accrued liabilities	218,411	-	218,411
Note payable	262,650	-	262,650
Refundable deposits	-	733,104	733,104
Unearned revenue	6,688,324	85,000	6,773,324
Noncurrent liabilities			
Due within one year	2,111,964	191,112	2,303,076
Due in more than one year	22,781,808	2,168,916	24,950,724
Total liabilities	33,474,313	4,140,690	37,615,003
NET ASSETS			
Investment in capital assets, net of related debt	79,851,265	9,645,944	89,497,209
Restricted for economic development	6,077,061	-	6,077,061
Restricted by enabling legislation	5,570,039	-	5,570,039
Unrestricted	5,917,409	5,439,572	11,356,981
Total net assets	\$ 97,415,774	\$ 15,085,516	\$ 112,501,290

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, 2009

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants	Capital Grants and Contributions
Governmental activities:				
General government	\$ 1,644,926	\$ 402,873	\$ -	\$ -
Public safety	6,325,907	475,362	20,136	-
Community development	4,704,634	399,098	-	96,253
Public works	2,818,113	-	699,326	-
Debt service	1,213,814	-	-	-
Total governmental activities	<u>16,707,394</u>	<u>1,277,333</u>	<u>719,462</u>	<u>96,253</u>
Business-type activities:				
Waterworks and sewerage	<u>4,233,428</u>	<u>3,990,272</u>	<u>-</u>	<u>1,549,683</u>
Total business-type activities	<u>4,233,428</u>	<u>3,990,272</u>	<u>-</u>	<u>1,549,683</u>
Total	<u>\$ 20,940,822</u>	<u>\$ 5,267,605</u>	<u>\$ 719,462</u>	<u>\$ 1,645,936</u>

- 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
- 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
\$ (1,242,053)	\$ -	\$ (1,242,053)
(5,830,409)	-	(5,830,409)
(4,209,283)	-	(4,209,283)
(2,118,787)	-	(2,118,787)
(1,213,814)	-	(1,213,814)
(14,614,346)	-	(14,614,346)
-	1,306,527	1,306,527
-	1,306,527	1,306,527
(14,614,346)	1,306,527	(13,307,819)
6,295,538	-	6,295,538
1,083,433	-	1,083,433
897,529	-	897,529
937,642	-	937,642
316,778	-	316,778
2,234,944	-	2,234,944
3,931,359	-	3,931,359
367,042	-	367,042
17,144	-	17,144
290,162	91,988	382,150
71,938	1,040	72,978
16,443,509	93,028	16,536,537
1,829,163	1,399,555	3,228,718
95,586,611	13,685,961	109,272,572
\$ 97,415,774	\$ 15,085,516	\$ 112,501,290

Village of Round Lake Beach, Illinois

BALANCE SHEET
Governmental Funds
April 30, 2009

	General	TIF #2 Special Revenue	TIF #1 Debt Service	TIF #1 Capital Projects
ASSETS				
Cash and investments	\$ 5,424,860	\$ 741	\$ 1,410,866	\$ 5,468,223
Receivables				
Property taxes	2,347,661	2,143,843	2,062,426	-
Other	291,044	-	19,676	-
Due from other governments	1,244,125	-	346,458	-
Advances to other funds	92,823	-	-	-
Prepaid expenses	2,381	-	-	-
Property held for resale	358,606	-	-	-
	<u>9,761,500</u>	<u>2,144,584</u>	<u>3,839,426</u>	<u>5,468,223</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 256,052	\$ -	\$ 340	\$ 65,573
Accrued payroll	272,948	-	-	-
Advances from other funds	-	-	-	-
Deposits payable	29,157	-	-	-
Retention payable	-	-	-	-
Unearned revenue	2,347,661	2,143,843	2,062,426	-
Note payable	262,650	-	-	-
	<u>3,168,468</u>	<u>2,143,843</u>	<u>2,062,766</u>	<u>65,573</u>
Fund balances				
Reserved for capital projects	-	-	-	-
Reserved for streets and highways	-	-	-	-
Reserved for economic development	-	741	1,776,660	5,402,650
Reserved for debt service	-	-	-	-
Reserved for advances	92,823	-	-	-
Reserved for prepaid expenses	2,381	-	-	-
Reserved for property held for resale	358,606	-	-	-
Unreserved - general fund	6,139,222	-	-	-
	<u>6,593,032</u>	<u>741</u>	<u>1,776,660</u>	<u>5,402,650</u>
Total liabilities and fund balances	<u>\$ 9,761,500</u>	<u>\$ 2,144,584</u>	<u>\$ 3,839,426</u>	<u>\$ 5,468,223</u>

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, notes and leases payable, compensated absences, and net pension obligations 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	Nonmajor Funds	Governmental Funds
\$ 726,798	\$ 3,740,238	\$ 16,771,726
-	134,394	6,688,324
-	72,449	383,169
-	756,327	2,346,910
-	-	92,823
-	-	2,381
-	-	358,606
<u>\$ 726,798</u>	<u>\$ 4,703,408</u>	<u>\$ 26,643,939</u>
\$ 452,521	\$ 93,423	\$ 867,909
-	743	273,691
-	92,823	92,823
-	1,999	31,156
175,259	11,996	187,255
-	134,394	6,688,324
-	-	262,650
<u>627,780</u>	<u>335,378</u>	<u>8,403,808</u>
99,018	779,766	878,784
-	1,363,498	1,363,498
-	(21,208)	7,158,843
-	2,245,974	2,245,974
-	-	92,823
-	-	2,381
-	-	358,606
-	-	6,139,222
<u>99,018</u>	<u>4,368,030</u>	<u>18,240,131</u>
<u>\$ 726,798</u>	<u>\$ 4,703,408</u>	
		103,888,120
		450,851
		<u>(25,163,328)</u>
		<u>\$ 97,415,774</u>

Village of Round Lake Beach, Illinois

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Governmental Funds

STATEMENT OF ACTIVITIES For the year ended April 30, 2009

	General	TIF #2 Special Revenue	TIF #1 Debt Service	TIF #1 Capital Projects
Revenues				
Taxes	\$ 3,856,597	\$ 1,926,260	\$ 1,891,047	\$ -
Intergovernmental	4,726,099	-	1,801,808	-
Licenses and permits	583,702	-	-	-
Fines	451,608	-	-	-
Charges for services	125,855	-	-	-
Interest	82,159	12,643	65,018	52,190
Rental income	-	-	-	-
Miscellaneous	52,269	-	-	-
Total revenues	<u>9,878,289</u>	<u>1,938,903</u>	<u>3,757,873</u>	<u>52,190</u>
Expenditures				
Current				
General government	1,234,575	-	-	-
Public safety	6,011,010	-	-	-
Public works	1,538,218	-	-	-
Economic development	659,890	1,939,475	-	7,699
Debt service				
Principal	236,757	-	840,000	84,059
Interest	109,358	-	199,167	5,935
Fiscal agent fees	-	-	3,485	-
Capital outlay	-	-	-	1,315,495
Total expenditures	<u>9,789,808</u>	<u>1,939,475</u>	<u>1,042,652</u>	<u>1,413,188</u>
Excess (deficiency) of revenues over expenditures	<u>88,481</u>	<u>(572)</u>	<u>2,715,221</u>	<u>(1,360,998)</u>
Other financing sources (uses)				
Transfers in	-	-	-	2,806,217
Transfers out	-	-	(2,806,217)	-
Capital leases	-	-	-	-
Proceeds from sale of property held for resale	11,093	-	-	-
Total other financing sources (uses)	<u>11,093</u>	<u>-</u>	<u>(2,806,217)</u>	<u>2,806,217</u>
Net change in fund balances	99,574	(572)	(90,996)	1,445,219
Fund balances - beginning of year	<u>6,493,458</u>	<u>1,313</u>	<u>1,867,656</u>	<u>3,957,431</u>
Fund balances - end of year	<u>\$ 6,593,032</u>	<u>\$ 741</u>	<u>\$ 1,776,660</u>	<u>\$ 5,402,650</u>

The accompanying notes are an integral part of this statement.

	Bond Capital Projects	Nonmajor Funds	Total Governmental Funds
\$	-	\$ 1,857,016	\$ 9,530,920
	-	823,662	7,351,569
	-	-	583,702
	-	-	451,608
	-	44,328	170,183
	29,619	48,533	290,162
	-	68,801	68,801
	-	37,343	89,612
	<u>29,619</u>	<u>2,879,683</u>	<u>18,536,557</u>
	-	127,905	1,362,480
	-	-	6,011,010
	-	-	1,538,218
	-	1,134	2,608,198
	-	760,000	1,920,816
	-	658,524	972,984
	-	1,485	4,970
	<u>1,163,914</u>	<u>2,065,735</u>	<u>4,545,144</u>
	<u>1,163,914</u>	<u>3,614,783</u>	<u>18,963,820</u>
	<u>(1,134,295)</u>	<u>(735,100)</u>	<u>(427,263)</u>
	-	-	2,806,217
	-	-	(2,806,217)
	-	248,514	248,514
	<u>387,667</u>	<u>5,942</u>	<u>404,702</u>
	<u>387,667</u>	<u>254,456</u>	<u>653,216</u>
	<u>(746,628)</u>	<u>(480,644)</u>	<u>225,953</u>
	<u>845,646</u>	<u>4,848,674</u>	<u>18,014,178</u>
\$	<u>99,018</u>	<u>\$ 4,368,030</u>	<u>\$ 18,240,131</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	\$	225,953
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.		250,165
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.		2,062,482
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.		(248,514)
Some expenses reported in the statement of activities (e.g. increases in compensated absences and net pension and other postemployment benefit obligations) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		<u>(460,923)</u>
Change in net assets of governmental activities	\$	<u><u>1,829,163</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, 2009

ASSETS

Current assets

Cash and investments	\$ 5,785,624
Receivables	
Accounts - billed	200,477
Accounts - unbilled	1,247,842
Accounts - other	57,781
Prepaid expenses	6,324
	<hr/>
Total current assets	7,298,048

Noncurrent assets

Capital assets not being depreciated	220,125
Capital assets, net of accumulated depreciation	11,708,033
	<hr/>
Total noncurrent assets	11,928,158
	<hr/>
Total assets	19,226,206

LIABILITIES

Current liabilities

Accounts payable	179,099
Sewer fees payable to Lake County	747,407
Accrued payroll	36,052
Unearned revenue	85,000
Compensated absences payable	77,814
Refundable deposits	733,104
Current portion of loan payable	113,298
	<hr/>
Total current liabilities	1,971,774

Long-term liabilities

Loan payable	2,168,916
	<hr/>
Total liabilities	4,140,690

NET ASSETS

Invested in capital assets, net of related debt	9,645,944
Unrestricted	5,439,572
	<hr/>
Total net assets	\$ 15,085,516

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, 2009

<hr/>	
Operating revenues	
Charges for services	\$ 3,806,639
Tap on fees	<u>183,633</u>
Total operating revenues	<u>3,990,272</u>
Operating expenses excluding depreciation	
Administration	706,569
Operations	<u>2,961,598</u>
Total operating expenses before depreciation	<u>3,668,167</u>
Operating income before depreciation	322,105
Depreciation	<u>506,418</u>
Operating loss	<u>(184,313)</u>
Nonoperating revenues (expenses)	
Interest income	91,988
Interest expense	(58,843)
Miscellaneous revenue	<u>1,040</u>
	<u>34,185</u>
Income before contributions and transfers	(150,128)
Contributions and transfers	
Capital contributions	<u>1,549,683</u>
Change in net assets	1,399,555
Net assets	
Beginning of year	<u>13,685,961</u>
End of year	<u><u>\$ 15,085,516</u></u>

The accompanying notes are an integral part of this statement.

Village of Round Lake Beach, Illinois

STATEMENT OF CASH FLOWS Proprietary Fund - Waterworks and Sewerage Fund For the year ended April 30, 2009

Cash flows from operating activities	
Receipts from customers and users	\$ 3,905,229
Payments to suppliers	(2,963,692)
Payments to employees	<u>(697,121)</u>
Net cash provided by operating activities	<u>244,416</u>
Cash flows from capital and related financing activities	
Capital assets purchased	(123,164)
Repayments on loan payable	(98,261)
Interest paid on capital debt	<u>(58,843)</u>
Net cash used in capital and related financing activities	<u>(280,268)</u>
Cash flows from investing activities	
Purchases of investments	(2,921,447)
Sales of investments	2,076,544
Interest income	<u>91,988</u>
Net cash used in investing activities	<u>(752,916)</u>
Net decrease in cash and cash equivalents	(788,768)
Cash and cash equivalents	
Beginning of year	<u>4,984,664</u>
End of year	\$ <u><u>4,195,896</u></u>
Cash and cash equivalents	4,195,896
Investments	<u>1,589,728</u>
Total cash and investments	\$ <u><u>5,785,624</u></u>

The accompanying notes are an integral part of this statement.

(Continued)

Village of Round Lake Beach, Illinois
STATEMENT OF CASH FLOWS
Proprietary Fund - Waterworks and Sewerage Fund (Continued)
For the year ended April 30, 2009

Cash flows from operating activities	
Operating loss	\$ (184,313)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation	506,418
Other income	1,040
Changes in assets and liabilities	
Accounts receivable	(86,083)
Prepaid expenses	1,203
Accounts payable	(87,954)
Sewer fees payable to Lake County	7,416
Refundable deposits	5,886
Retention payable	(13,646)
Unearned revenue	85,000
Accrued payroll	4,401
Compensated absences payable	<u>5,048</u>
Net cash provided by operating activities	\$ <u>244,416</u>

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, 2009

ASSETS

Cash	\$	592,065
Interest receivable		57,715
Prepaid insurance		<u>1,465</u>
		<u>651,245</u>
Investments, at fair value		
U.S. Government obligations		4,986,126
Insurance company contracts		1,304,044
Mutual funds		<u>2,848,696</u>
		<u>9,138,866</u>
Total assets		9,790,111

LIABILITIES

Accrued expenses		<u>2,306</u>
------------------	--	--------------

NET PLAN ASSETS

Plan net assets held in trust for pension benefits	\$	<u><u>9,787,805</u></u>
---	----	-------------------------

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, 2009

Contributions	
Employer	\$ 685,150
Employee	<u>273,700</u>
Total contributions	<u>958,850</u>
Investment income	
Net decrease in fair value of investments	(1,631,219)
Interest, net	<u>400,147</u>
	<u>(1,231,072)</u>
Less: Investment expenses	<u>34,227</u>
Net investment loss	<u>(1,265,299)</u>
Net reduction	<u>(306,449)</u>
Deductions	
Benefits and refunds	739,356
Administration	<u>56,802</u>
Total deductions	<u>796,158</u>
Net decrease	(1,102,607)
Plan net assets held in trust for pension benefits	
Beginning of year	<u>10,890,412</u>
End of year	\$ <u><u>9,787,805</u></u>

The accompanying notes are an integral part of this statement.

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

INDEX

April 30, 2009

	Page
1. Summary of Significant Accounting Policies	
A. Reporting Entity	27
B. Government-wide and Fund Financial Statements	27 - 28
C. Fund Accounting	28
D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	29 - 31
E. Cash, Cash Equivalents, and Investments	31 - 32
F. Receivables	32
G. Capital Assets	32 - 33
H. Compensated Absences	33
I. Deposits Payable and Retention Payable	33
J. Long-term Obligations	33 - 34
K. Fund Equity	34
L. Interfund Transactions	34
M. Use of Estimates	34
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	35
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	36 - 37
3. Deposits and Investments	37 - 39
A. Deposits	39
B. Investments	39 - 42
4. Receivables	
A. Property Taxes	42
B. Accounts and Other Receivables	43
C. Due from Other Governments	43
5. Capital Assets	
A. Governmental Activities	44
B. Business-type Activities	45
C. Depreciation Expense	46
D. Construction Commitments	46

(Continued)

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

INDEX

April 30, 2009

	Page
6. Interfund Advances (Internal Balances)	46
7. Interfund Transfers	47
8. Pledged Revenues	47
9. Short-term Debt	47
10. Long-term Debt	
A. Changes in Long-term Liabilities	48 - 49
B. General Obligation Bonds Payable	49 - 50
C. Revenue Bonds Payable	50
D. Incremental Sales Tax Revenue Notes Payable	51
E. Capital Lease Obligations	52
F. Loan Payable - Drinking Water Project IEPA Loan	52
11. Risk Management	53
12. Contingent Liabilities	
A. Grants	53
B. Litigation	
13. Joint Ventures	
A. Central Lake County Joint Action Water Agency (CLCJAWA)	54 - 55
B. CenCom E9-1-1 Joint Emergency Telephone System	55
C. CenCom E9-1-1 Public Safety Communications Center	56
D. Solid Waste Agency of Lake County	57
14. Employee Retirement Systems	
A. Illinois Municipal Retirement Fund	58 - 59
B. Police Pension and Retirement Fund Commitments	59 - 62
15. Other Postemployment Benefits (OPEB)	62 - 64
16. Net Assets Restricted by Enabling Legislation	64
17. Stewardship, Compliance, and Accountability	64
18. Subsequent Event	
	(Concluded)

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2009

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 a 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, 2009

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 individually 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, 2009

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 the purpose of the 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.

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 unearned revenue is removed from the financial statements and revenue is recognized.

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 #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 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 #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.

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 employer contribution.

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.

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, 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.

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash, Cash Equivalents, and Investments (Continued)

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.

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.

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, 2009

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 - 90
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; 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.

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.

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Long-term Obligations (Continued)

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, 2009

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 (\$25,163,328) difference are as follows:

General obligation bonds payable	\$ (15,275,000)
TIF revenue bonds	(3,375,000)
Incremental sales tax revenue notes payable	(4,149,435)
Accumulated note deficit on sale tax note payable	(1,136,557)
Leases payable	(199,881)
Compensated absences	(267,842)
Net other postemployment benefits obligation	(193,343)
Net pension obligation	(296,714)
Accrued interest payable	<u>(269,556)</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net assets of governmental activities.	\$ <u><u>(25,163,328)</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 \$450,851.

Net deferred bond issuance costs	\$ <u><u>450,851</u></u>
----------------------------------	--------------------------

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2009

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 \$250,165 difference are as follows:

Capital outlay	\$ 2,823,615
Depreciation expense	(1,666,691)
Difference in loss on disposal of fixed assets	<u>(906,759)</u>
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net assets of governmental activities	\$ <u>250,165</u>

Another element of that reconciliation states that “The repayment of the principal of long-term debt consume the current financial resources of governmental funds.” The details of this \$2,062,482 difference are as follows:

Principal repayments	
General obligation bonds payable	\$ 760,000
TIF revenue bonds payable	840,000
Incremental sales tax revenue notes payable	320,816
Leases payable	<u>141,666</u>
Net adjustment to increase net change in fund balances – total governmental funds to arrive at change in net assets of governmental activities	\$ <u>2,062,482</u>

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2009

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)

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 \$(460,923) are as follows:

Accumulated note deficit on sales tax note payable	\$ (202,471)
Amortization of deferred issuance costs	(52,430)
Compensated absences	(12,309)
Net increase in net pension	(19,411)
Net increase in other postemployment benefits	(193,343)
Accrued interest on general obligation bonds	<u>19,041</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	\$ <u><u>(460,923)</u></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 (\$248,514) difference are as follows:

Capital lease financing	\$ <u>(248,514)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	\$ <u><u>(248,514)</u></u>

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:

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2009

3. DEPOSITS AND INVESTMENTS (Continued)

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

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

- Federal Housing Authority bonds
- Government National Mortgage Association (GNMA)
- Public Housing Board bonds (HUD)
- Farmers Home Administration bonds
- General Service Administration bonds (GSA)
- Maritime Administration bonds
- Small Business Administration (SBA)
- 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, 2009

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 \$6,517,203 and the bank balances totaled \$6,731,998 (cash on hand of \$1,327 has been excluded). The carrying amount of the Police Pension Fund's deposits totaled \$592,065 and the bank balances totaled \$592,065. 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, 2009, the Village has the following investments and maturities.

Investment Type	Investment Maturities (In Years)			
	Fair Value	Less than 1	1-10	Greater than 10
The Illinois Funds	\$ 14,687,735	\$ 14,687,735	-	-
Mutual Funds	634,085	634,085	-	-
Repurchase Agreement	717,000	-	717,000	-
	<u>\$ 16,038,820</u>	<u>\$ 15,321,820</u>	<u>\$ 717,000</u>	<u>\$ -</u>

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2009

3. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

The following is a reconciliation of deposits and investments between the table above and the entity-wide statement of net assets:

	<u>Village</u>
Total investments per above	\$ 16,038,820
Deposits	6,517,203
Cash on hand	<u>1,327</u>
Total deposits and investments per the entity-wide statement of net assets	<u>\$ 22,557,350</u>

Investments in The Illinois Funds, a money market pool created by the Illinois State Legislature under the control of the Illinois State Treasurer, are reported at a planned consistent \$1 per share value. Funds deposited in the Village's sweep account are invested in mutual funds at a planned consistent \$1 per share value.

Investments in mutual funds consist of amounts invested in a sweep agreement and are reported at a planned consistent \$1 per share value.

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.

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2009

3. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

As of April 30, 2009, 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>
Insurance Company Contracts	\$ 1,304,044	\$ -	\$ 1,304,044	\$ -
U.S. Treasury Notes	1,956,005	301,895	1,654,110	-
U.S. Treasury Bonds	848,021	-	848,021	-
U.S. Agency Securities	2,182,100	286,384	705,999	1,189,717
Mutual Fund Equities	2,848,696	2,848,696	-	-
	<u>\$ 9,138,866</u>	<u>\$ 3,436,975</u>	<u>\$ 4,512,174</u>	<u>\$ 1,189,717</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.

Credit Risk. State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The Village's and Pension Fund's investment policies do not impose further limits on investment choices. As of April 30, 2009, The Illinois Funds Money Market and Prime Funds were rated AAAM by Standard & Poor's. The Village's investment in U.S. 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. As of April 30, 2009, the Pension Fund's investments in the securities of U.S. government agencies were all 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.

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2009

3. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

At April 30, 2009, the Pension Fund has over 5% of net plan assets invested as follows:

Protective Life Platinum 11/5/10	\$	717,736	7.33 %
Protective Life Platinum 1/22/11	\$	586,308	5.99 %
Fidelity Advisor New Insights Fund	\$	502,673	5.14 %
Vanguard Institutional Index Fund	\$	759,627	7.76 %

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, 2009, all of the Village's Money Market/Liquid Assets deposits were fully insured and collateralized. Of the Pension Fund's deposits, \$0 was not covered by federal depository or equivalent insurance.

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 2008 property tax levy is recorded as a receivable. Based upon collection histories at April 30, 2009, the Village does not deem it necessary to provide an allowance for uncollectible property taxes.

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2009

4. RECEIVABLES (Continued)

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	\$ 16,578	\$ -	\$ -
Utility tax	261,908	-	-
Water fees	-	941,800	-
Sewer fees	-	498,882	-
Accrued interest	21,184	7,637	57,715
Miscellaneous	83,499	57,781	-
	<u>\$ 383,169</u>	<u>\$ 1,506,100</u>	<u>\$ 57,715</u>
Total other receivables	<u>\$ 383,169</u>	<u>\$ 1,506,100</u>	<u>\$ 57,715</u>

C. Due from Other Governments

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

	Governmental Activities
State of Illinois	\$ 2,239,081
Regional Transportation Authority	51,638
Lake County	<u>56,191</u>
Total due from other governments	<u>\$ 2,346,910</u>

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2009

5. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2009 was as follows:

A. Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	\$ 5,361,380	\$ 124,867	\$ 902,000	\$ 4,584,247
Construction in progress	4,539,768	3,515,076	4,939,918	3,114,926
Total capital assets, not being depreciated	9,901,148	3,639,943	5,841,918	7,699,173
Capital assets, being depreciated				
Buildings	11,145,753	407,398	-	11,553,151
Equipment, furniture, and vehicles	2,689,342	332,517	139,902	2,881,957
Land improvements	1,957,029	1,773,954	-	3,730,983
Infrastructure	97,126,471	1,609,721	-	98,736,192
Total capital assets being depreciated	112,918,595	4,123,590	139,902	116,902,283
Less accumulated depreciation for:				
Buildings	1,302,245	280,182	-	1,582,427
Equipment, furniture, and vehicles	1,635,903	310,117	135,143	1,810,877
Land improvements	227,473	96,246	-	323,719
Infrastructure	16,016,167	980,146	-	16,996,313
Total accumulated depreciation	19,181,788	1,666,691	135,143	20,713,336
Total capital assets being depreciated, net	93,736,807	2,456,899	4,759	96,188,947
Governmental activities capital assets, net	\$ 103,637,955	\$ 6,096,842	\$ 5,846,677	\$ 103,888,120

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2009

5. CAPITAL ASSETS (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
B. <u>Business-type Activities</u>				
Capital assets, not being depreciated				
Land	\$ 79,258	\$ -	\$ -	\$ 79,258
Construction in progress	200,021	123,165	182,319	140,867
Total capital assets, not being depreciated	279,279	123,165	182,319	220,125
Capital assets, being depreciated:				
Buildings	522,257	-	-	522,257
Wells and pumping stations	1,956,161	49,957	-	2,006,118
Sewer and water system	12,802,051	1,550,508	-	14,352,559
Equipment	1,156,094	131,537	-	1,287,631
Total capital assets, being depreciated	16,436,563	1,732,002	-	18,168,565
Less accumulated depreciation for:				
Buildings	189,454	13,056	-	202,510
Wells and pumping stations	1,456,429	52,321	-	1,508,750
Sewer and water system	3,324,155	382,486	-	3,706,640
Other equipment	984,076	58,555	-	1,042,632
Total accumulated depreciation	5,954,114	506,418	-	6,460,532
Total capital assets being depreciated, net	10,482,449	1,225,584	-	11,708,033
Business-type activities capital assets, net	\$ 10,761,728	\$ 1,348,749	\$ 182,319	\$ 11,928,158

Village of Round Lake Beach, Illinois

Notes to the Financial Statements
April 30, 2009

5. CAPITAL ASSETS (Continued)

C. Depreciation Expense

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

Governmental activities	
Economic development	\$ 14,513
General government	228,488
Public safety	190,714
Public works	<u>1,232,976</u>
Total depreciation expense – governmental activities	<u>\$ 1,666,691</u>
Business – type activities	
Water	<u>\$ 506,418</u>

D. Construction Commitments

The value of construction contracts signed, where the work has not yet been performed at April 30, 2009, is as follows:

Bond Capital Project Fund	<u>\$ 247,236</u>
TIF #1 Capital Project Fund	<u>\$ 2,486,759</u>

6. INTERFUND ADVANCES (INTERNAL BALANCES)

The governmental funds balance sheet reports \$92,823 in internal balances. The Village's internal balances on the statement of net assets are interfund advances. Interfund advances arise when interfund receivables and payables exist which management does not intend to reimburse within a period of one year. The details of the reported internal balance are as follows:

	<u>Advance From</u>	<u>Advance To</u>
Civic Center Fund		
General Fund	\$ <u>92,823</u>	\$ <u>-</u>
General Fund		
Civic Center Fund	<u>-</u>	<u>92,823</u>
Total all funds	92,823	92,823
Less amounts eliminated under GASB 34	<u>(92,823)</u>	<u>(92,823)</u>
Total interfund advances	<u>\$ -</u>	<u>\$ -</u>

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2009

7. INTERFUND 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.

Funds	Transfers In	Transfers Out
TIF 1 Capital Projects		
TIF 1 Debt Service	\$ 2,806,217	\$ -
TIF 1 Debt Service		
TIF 1 Capital Projects	-	2,806,217
Total all funds	2,806,217	2,806,217
Less amounts eliminated under GASB 34	(2,806,217)	(2,806,217)
Total interfund transfers	\$ -	\$ -

8. PLEDGED REVENUES

The Village has pledged a portion of future sales tax revenues to reimburse \$200,000 in expenses to finance the construction of retention facilities, incurred in the construction of a new retail center. The Village agreed to rebate to the Developer 0.5% of the Home Rule Sales Tax generated by sales and service on the property for a period of five years, with payment to be made at the end of each fourth quarter. The Village's obligation shall terminate upon payment of \$200,000 or on December 31, 2013, whichever occurs first.

9. 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 4.50%. 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, 2009, there was an outstanding balance of \$262,650.

	Beginning Balance	Borrowing	Payments	Ending Balance
Line of credit	\$ 401,986	\$ 274,716	\$ 414,052	\$ 262,650

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2009

10. LONG-TERM DEBT

A. Changes in Long-term Liabilities

Long-term liability activity for the year ended April 30, 2009 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds					
Series 2006	\$ 3,635,000	\$ -	\$ 140,000	\$ 3,495,000	\$ 145,000
Series 2004A	3,175,000	-	150,000	3,025,000	155,000
Series 2004	4,275,000	-	205,000	4,070,000	210,000
Series 2001	4,950,000	-	265,000	4,685,000	275,000
Total general obligation bonds payable	<u>16,035,000</u>	<u>-</u>	<u>760,000</u>	<u>15,275,000</u>	<u>785,000</u>
TIF Revenue Bonds, Series 2003	<u>4,215,000</u>	<u>-</u>	<u>840,000</u>	<u>3,375,000</u>	<u>885,000</u>
Incremental sales tax revenue notes payable					
Series 1993	4,340,071	-	236,757	4,103,314	291,844
Series 2004	130,180	-	84,059	46,121	46,121
Accumulated sales tax note deficit	<u>934,086</u>	<u>202,471</u>	<u>-</u>	<u>1,136,557</u>	<u>-</u>
Total incremental sales tax revenue notes payable	<u>5,404,337</u>	<u>202,471</u>	<u>320,816</u>	<u>5,285,992</u>	<u>337,965</u>
Leases payable	<u>93,033</u>	<u>248,514</u>	<u>141,666</u>	<u>199,881</u>	<u>103,999</u>
Compensated absences	<u>255,533</u>	<u>267,842</u>	<u>255,533</u>	<u>267,842</u>	<u>-</u>
Net pension obligation	<u>277,303</u>	<u>19,411</u>	<u>-</u>	<u>296,714</u>	<u>-</u>
Net other postemployment obligation benefits	<u>-</u>	<u>239,154</u>	<u>45,811.00</u>	<u>193,343</u>	<u>-</u>
Total Governmental Activities	<u>\$ 26,280,206</u>	<u>\$ 977,392</u>	<u>\$ 2,363,826</u>	<u>\$ 24,893,772</u>	<u>\$ 2,111,964</u>

Village of Round Lake Beach, Illinois

Notes to the Financial Statements
April 30, 2009

10. LONG-TERM DEBT (Continued)

A. Changes in Long-term Liabilities (Continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities					
Illinois EPA loan payable	\$ 2,380,475	\$ -	\$ 98,261	\$ 2,282,214	\$ 113,298
Compensated absences	72,766	77,814	72,766	77,814	77,814
	<u>\$ 2,453,241</u>	<u>\$ 77,814</u>	<u>\$ 171,027</u>	<u>\$ 2,360,028</u>	<u>\$ 191,112</u>

Payments on the G.O. Bonds Series, 2004A, G.O. Bonds, Series 2004, and G.O. Bonds, Series 2001, are made by the Bond Fund with sales and utility tax allocations from the General Fund. Payments on the TIF Revenue Bonds, Series 2003, are made by the TIF # 1 Debt Service Fund with real estate taxes and sales taxes. Payments on the Series 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:

Year Ending April 30,	Principal	Interest	Total
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	875,000	541,448	1,416,448
2014	910,000	507,570	1,417,570
2015-2019	5,130,000	1,949,546	7,079,546
2020-2024	5,365,000	769,103	6,134,103
2025-2026	555,000	36,120	591,120
Total	<u>\$ 15,275,000</u>	<u>\$ 5,612,475</u>	<u>\$ 20,887,475</u>

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2009

10. LONG-TERM DEBT (Continued)

B. General Obligation Bonds Payable (Continued)

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 were used to provide funds for certain channel dredging and stream bank stabilization of the Village and to provide funds for the improvement to the public safety and public works facilities.

The Village issued General Obligation Bonds, Series 2004A, dated November 19, 2004, in the original amount of \$3,590,000, with interest rates varying from 3% to 4.17%, payable July 1 and January 1 each year. The proceeds of this issue were used to pay off the lease/purchase agreement for the Police facility and to finance certain capital improvements.

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

The General Obligation Bonds, Series 2001, in the original amount of \$6,350,000, with interest rates varying from 2.9% to 5%, payable July 1 and January 1 of each year, were issued for the purpose of financing the construction of the Village Hall.

C. Revenue Bonds Payable

On October 29, 2003, the Village issued \$7.17 million in Tax Increment Revenue Bonds, Series 2003, with an average rate of 4.2%, to advance refund \$8.82 million of outstanding Tax Increment Revenue and Refunding Bonds, Series 1993 with an average interest rate of 7.5%.

Annual debt service requirements to maturity for Series 2003 Bonds are as follows:

<u>Year Ending</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 885,000	\$ 156,938	\$ 1,041,938
2011	945,000	115,785	1,060,785
2012	495,000	71,843	566,843
2013	515,000	48,825	563,825
2014	535,000	24,878	559,878
Total	\$ <u>3,375,000</u>	\$ <u>418,269</u>	\$ <u>3,793,269</u>

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2009

10. LONG-TERM DEBT (Continued)

D. Incremental Sales Tax Revenue Notes Payable

The Incremental Sales Tax Revenue Note, Series 1993, was issued under an agreement with Tucker Operating Limited Partnership to finance the development of property within the Round Lake Beach Rollins Crossing business district. The note in the amount of \$6,000,000 will be repaid with incremental sales tax revenue from retailers within the district. The original note called for quarterly payments of \$136,135 over 20 years starting in 1996, with interest at 6.5%.

Through calendar year 1999, the incremental sales tax revenue received has not been enough to cover the principal and interest payments, thus causing a Note Deficit, as defined in the note agreement. Such a Note Deficit accrues interest at the same 6.5% as the original principal.

An amendment to the note, dated November 5, 1999, eliminated the deficit requirements and all accrued interest through December 31, 1999. The original loan amount of \$6,000,000 will be repaid over 20 years at 6.5% interest with an annual payment of \$544,540. In any year where the sales tax is not sufficient to make the annual payment, the shortage will be accumulated and paid during a 5-year extension period after the original term of the note. This deficit is to be paid with sales tax revenue received during that 5-year period. As of April 30, 2009, the accumulated deficit is \$1,136,557. The estimated sales tax revenues collected during the 5-year extension period is \$1,750,000, which is the maximum liability that the Village will have on the accumulated note deficit.

An Incremental Sales Tax Revenue Note was issued in February 2004 to finance the construction of certain infrastructure capital assets. The original loan amount of \$400,000 is secured by pledged sales tax revenue and is to be repaid over the earlier of a five-year time period or until the principal obligation is repaid. The annual interest rate on the note is 4.56% per annum. The annual required debt service payment is \$100,000 and is contingent upon the amount of pledged sales tax revenue collected.

Annual debt service requirements to maturity are as follows:

Year Ending April 30,	Principal	Interest	Total
2010	\$ 337,965	\$ 223,368	\$ 561,333
2011	296,792	247,746	544,538
2012	316,083	228,455	544,538
2013	336,629	207,909	544,538
2014	358,510	186,028	544,538
2015-2019	2,173,905	548,785	2,722,690
2020-2024	1,314,536	21,677	1,336,213
2025	151,572	-	151,572
Total	\$ 5,285,992	\$ 1,663,968	\$ 6,949,960

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2009

10. LONG-TERM DEBT (Continued)

E. Capital Lease Obligations

At April 30, 2009, 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>
2010	\$ 112,234
2011	98,373
2012	<u>2,240</u>
	212,847
Less interest portion	<u>12,966</u>
	<u>\$ 199,881</u>

The cost of the capital assets acquired through capital lease is \$320,095, with accumulated depreciation of \$34,954 at April 30, 2009.

F. Loan Payable - Drinking Water Project IEPA Loan

The Village obtained a State of Illinois Environmental Protection Agency Drinking Water Project loan for the construction of an elevated water storage tank. The principal loan amount for which the Village is approved is \$2,603,807, with an interest rate of 2.5%, to be repaid over a 20-year term starting in October 2006. The total loan drawn down as of April 30, 2009, including accrued construction period interest, is \$2,566,078 and the principal outstanding at April 30, 2009 is \$2,282,214.

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2009

10. LONG-TERM DEBT (Continued)

F. Loan Payable - Drinking Water Project IEPA Loan (Continued)

Annual debt service requirements to maturity are as follows:

<u>Year Ending</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 113,298	\$ 56,352	\$ 169,650
2011	116,149	53,501	169,650
2012	119,070	50,580	169,650
2013	122,066	47,584	169,650
2014	125,136	44,514	169,650
2015-2019	674,516	173,734	848,250
2020-2024	763,735	84,515	848,250
2025-2026	<u>248,244</u>	<u>6,232</u>	<u>254,476</u>
Total	<u>\$ 2,282,214</u>	<u>\$ 517,012</u>	<u>\$ 2,799,226</u>

11. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters. The Village is insured for all general liability, unemployment and worker's compensation, auto, and collision claims for which the Village is held liable. The Village has contracted with the Illinois Municipal League to administer the program. At April 30, 2009, the Village has no liability for claims exceeding loss coverage. Settled claims exceeded the insurance at April 30, 2008 in the amount of \$82,378.

12. CONTINGENT LIABILITIES

A. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal or state government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Village expects such amounts, if any, to be immaterial.

B. Litigation

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

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2009

13. JOINT VENTURES

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

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

The purpose and objectives of the Agency are:

To provide water to member municipalities on a wholesale basis.

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

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

Summary of Financial Position at April 30, 2009:

Current assets	\$	8,027,886
Restricted assets		24,877,450
Capital assets		115,698,068
Deferred charges (net of amortization)		1,500,289
Total assets	\$	<u>150,103,693</u>
Current liabilities	\$	12,682,474
Long-term liabilities (net of amortization/accretion)		132,090,906
Total liabilities		<u>144,773,380</u>
Invested in capital assets - net of related debt		(14,916,465)
Restricted - bond covenants		11,646,664
Restricted - debt retirement		178,813
Restricted - rate stabilization		1,337,251
Unrestricted		7,084,050
Total net assets		<u>5,330,313</u>
Total liabilities and net assets	\$	<u>150,103,693</u>

Summary of revenues, expenses, and net income for CLCJAWA for the year ended April 30, 2009:

Total revenues	\$	19,063,255
Total expenses		<u>18,075,770</u>
Net income	\$	<u>987,485</u>

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2009

13. JOINT VENTURES (Continued)

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

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

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 (most recent information available).

Summary of Financial Position at April 30, 2009:

Current assets	\$	436,434
Capital assets (net of accumulated depreciation)		<u>177,275</u>
Total assets	\$	<u><u>613,709</u></u>
Net assets		
Invested in capital assets, net of related debt	\$	177,275
Restricted for E9-1-1 purposes		<u>436,434</u>
Total net assets	\$	<u><u>613,709</u></u>

Summary of revenues, expenses, and changes in net assets for CenCom for the year ended April 30, 2008:

Total revenues	\$	396,578
Total expenses		<u>421,785</u>
Change in net assets	\$	<u><u>(25,207)</u></u>

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2009

13. JOINT VENTURES (Continued)

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 (most recent information available).

Summary of Financial Position of CenCom E9-1-1 Public Safety Communications Center at April 30, 2008:

Current assets	\$	651,347
Capital assets		<u>77,990</u>
Total assets	\$	<u><u>729,337</u></u>
Invested in capital assets net of related debt	\$	77,990
Unrestricted		<u>651,347</u>
Total net assets	\$	<u><u>729,337</u></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, 2008:

Total revenues	\$	1,776,655
Total expenses		<u>1,490,248</u>
Change in net assets	\$	<u><u>286,407</u></u>

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

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2009

13. JOINT VENTURES (Continued)

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.

Summary of Financial Position at November 30, 2008:

Current assets	\$	831,488
Capital assets (net of accumulated depreciation)		<u>1,589,140</u>
Total assets	\$	<u><u>2,420,628</u></u>
Liabilities		
Current liabilities	\$	<u>353,687</u>
Invested in capital assets		
Unrestricted		<u>1,589,140</u>
Total net assets		<u><u>477,801</u></u>
Total liabilities and net assets	\$	<u><u>2,420,628</u></u>

Summary of revenues, expenses, and change in net assets for SWALCO for the year ended November 30, 2008:

Total revenues	\$	2,860,479
Total expenses		<u>2,843,564</u>
Change in net assets	\$	<u><u>16,915</u></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, 2009

14. EMPLOYEE RETIREMENT SYSTEMS

A. Illinois Municipal Retirement Fund

(a) Plan Description

The Village's defined benefit pension plan for regular employees provides retirement and disability benefits, postretirement increases, and death benefits to plan members and beneficiaries. The Village plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent, multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

(b) Funding Policy

As set by state statute, the Village's regular plan members are required to contribute 4.5 percent of their annual covered salary. The statute requires the Village to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2008 was 6.48 percent of annual covered payroll. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by state statute.

(c) Annual Pension Cost

For December 31, 2008, the Village's annual pension cost of \$151,709 for the regular plan was equal to the Village's required and actual contributions.

Three-Year Trend Information for the Regular Plan

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/08	\$ 151,709	100%	\$ -
12/31/07	156,782	100%	-
12/31/06	164,479	100%	-

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2009

14. EMPLOYEE RETIREMENT SYSTEMS (Continued)

A. Illinois Municipal Retirement Fund (Continued)

(c) Annual Pension Cost (Continued)

The required contribution for 2008 was determined as part of the December 31, 2006 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2006 included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 11.6 percent per year depending on age and service, attributable to seniority/merit, and (d) postretirement benefit increases of 3 percent annually. The actuarial value of the Village's regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial and market value of assets. The Village's regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2006 was 24 years.

(d) Funding Status and Funding Progress

As of December 31, 2008, the most recent actuarial valuation date, the regular plan was 90 percent funded. The actuarial accrued liability for benefits was \$5,617,919 and the actuarial value of assets was \$5,054,355, resulting in underfunded actuarial accrued liability (UAAL) of \$563,564. The covered payroll (annual payroll of active employees covered by the plan) was \$2,341,187 and the ratio of the UAAL to the covered payroll was 24 percent.

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

B. Police Pension and Retirement Fund Commitments

(a) Plan Description

Police-sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. Administrative costs are financed through investment earnings. The Village accounts for the plan as a pension trust fund. The Village's payroll for employees covered by the Police Pension Plan for the year ended December 31, 2008 was \$2,775,802 out of a total payroll of \$4,847,912.

At April 30, 2009, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	18
Active plan members	42
Total	60

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2009

14. EMPLOYEE RETIREMENT SYSTEMS (Continued)

B. Police Pension and Retirement Fund Commitments (Continued)

(a) Plan Description (Continued)

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

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, and 1% of such salary for each additional year of service over 30 years, to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually following the first anniversary date of retirement, and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% simple interest annually thereafter. Effective January 1, 1993, the second and subsequent pension increases (other than disability pension increases) will be computed on the current pension rather than the original pension.

(b) Funding Policy

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

(c) 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. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. No stand-alone statements are issued for the defined benefit pension plan.

Village of Round Lake Beach, Illinois

Notes to the Financial Statements
April 30, 2009

14. EMPLOYEE RETIREMENT SYSTEMS (Continued)

B. Police Pension and Retirement Fund Commitments (Continued)

(d) Contributions and Reserves

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

Annual Pension Cost and Net Pension Liability

Annual required contribution (ARC)	\$ 684,447
Interest on net pension obligation	<u>20,114</u>
Annual pension cost (APC)	704,561
Contributions made	<u>(685,150)</u>
Increase in net pension obligation	19,411
Net pension obligation	
Beginning of year	<u>277,303</u>
End of year	<u><u>\$ 296,714</u></u>

Schedule of Employer Contributions

Fiscal Year Ended	Annual Required Contribution	Percentage of APC Contributed	Net Pension Obligation
4/30/09	684,447	100.1 %	296,714
4/30/08	714,985	82.0	277,303
4/30/07	591,903	100.0	145,698

Additional information as of the latest valuation follows:

Actuarial valuation date	April 30, 2008
Actuarial cost method	Entry age normal cost
Asset valuation method	Market
Amortization method	Level Percentage of Payroll
Amortization period	26 Years, Closed
Mortality rate assumptions	1971 Group Annuity
Decrement assumption	Experience tables

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2009

14. EMPLOYEE RETIREMENT SYSTEMS (Continued)

B. Police Pension and Retirement Fund Commitments (Continued)

(d) Contributions and Reserves (Continued)

Significant actuarial assumptions:

a) Investment rate of return	7.00%
b) Projected salary increases	5.50%

15. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. Plan Description

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

At April 30, 2009, membership in the Plan consisted of the following:

	Members
Retirees and beneficiaries receiving benefits	7
Active plan employees	<u>90</u>
Total membership	<u><u>97</u></u>

B. Funding Policy

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

C. Annual OPEB Cost and Net OPEB Obligation

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

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2009

15. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

C. Annual OPEB Cost and Net OPEB Obligation (Continued)

Annual Required Contribution (ARC)	\$ 239,154
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	<u>239,154</u>
Contributions made	<u>45,811</u>
Increase in net OPEB obligation	193,343
Net OPEB obligation at May 1, 2008	-
Net OPEB obligation at April 30, 2009	<u>\$ 193,343</u>
Service cost	\$ 154,874
Amortization	84,280
Interest	-
Annual required contribution	<u>\$ 239,154</u>

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal year 2009 is as follows:

Trend Information - Other Postemployment Benefits

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Employer Contributions</u>	<u>Percentage of OPEB Contributed</u>	<u>Net OPEB Obligation</u>
04/30/09	\$ 239,154	\$ 45,811	19.16%	\$ 193,343

D. Funding Status and Funding Progress

The funded status and funding progress of the Plan as of April 30, 2009 was as follows:

Actuarial accrued liability (AAL)	\$ 2,313,623
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 2,313,623</u>
Funded ratio (actuarial value of plan assets/AAL)	<u>0.00%</u>
Corrected payroll (active plan members)	<u>\$ 5,137,560</u>
UAAL as a percentage of covered payroll	<u>0.45%</u>

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2009

15. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

D. Funding Status and Funding Progress (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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

The actuarial assumptions included (a) 4.50% investment rate of return and, (b) an initial healthcare cost trend of 10% decreasing and leveling off at 5% after 10 years. Other actuarial information included (a) valuation date of April 30, 2008, (b) entry age actuarial cost method, (c) amortization method of level percent closed, (d) remaining amortization period of 30 years, and (e) asset valuation method of market.

16. NET ASSETS RESTRICTED BY ENABLING LEGISLATION

The government-wide statement of net assets reports \$5,570,039 of net assets restricted by enabling legislation which consists of the following:

Roads (motor fuel tax allotments)	\$	1,363,498
Debt service (real estate, state sales, home rule, and utility taxes)		4,022,634
Channel dredging and stream bank stabilization (GO bond proceeds)		99,018
Economic development (real estate taxes)		84,889
Total net assets restricted by enabling legislation	\$	<u>5,570,039</u>

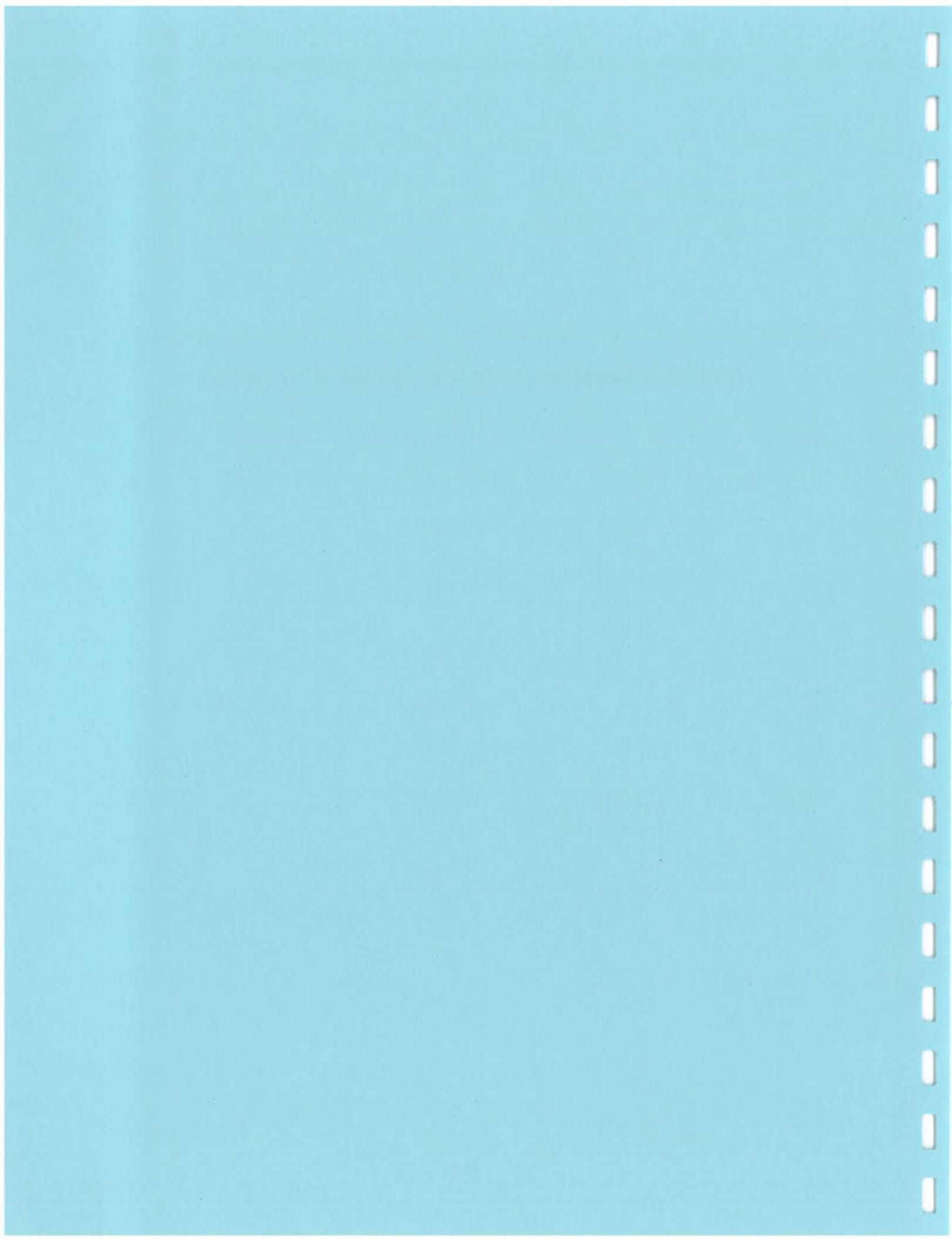
17. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The Civic Center Fund had a net assets deficit of \$106,097 as of April 30, 2009. The Village plans to use current resources and possible financing from the General Fund to pay for future liabilities.

18. SUBSEQUENT EVENT

On August 1, 2009, the Village issued \$3,695,000, of Taxable General Obligation Bonds, Series 2009. The purpose of the issuance is to provide funds for street improvements and other capital improvements. A portion of the proceeds will be used to pay for costs associated with the debt issuance. The bonds mature on January 1, 2024.

Required Supplementary Information (Unaudited)



Village of Round Lake Beach, Illinois
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
Illinois Municipal Retirement Fund
April 30, 2009

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)
12/31/2008	\$ 5,054,355	\$ 5,617,919	\$ 563,564	90.0%	\$ 2,341,187	24.07 %
12/31/2007	5,957,941	5,156,929	(801,012)	115.5%	2,315,831	(34.59) %
12/31/2006	5,298,911	4,595,090	(703,821)	115.3%	2,195,982	(32.05) %
12/31/2005	5,134,095	4,576,431	(557,664)	112.2%	2,111,669	(26.41) %
12/31/2004	4,907,514	4,479,678	(427,836)	109.6%	1,991,709	(21.48) %
12/31/2003	4,750,275	4,100,973	(649,302)	115.8%	2,084,226	(31.15) %
12/31/2002	4,974,993	4,092,813	(882,180)	121.6%	2,128,040	(41.46) %
12/31/2001	5,115,416	3,617,990	(1,497,426)	141.4%	1,903,272	(78.68) %
12/31/2000	4,777,589	3,299,277	(1,478,312)	144.8%	1,786,763	(82.74) %
12/31/1999	4,173,648	2,806,385	(1,367,263)	148.7%	1,592,302	(85.87) %

On a market value basis, the actuarial value of assets as of December 31, 2008 is \$3,562,000. On a market basis, the funded ratio would be 63.40%.

The actuarial assumptions used to determine the actuarial accrued liability for 2008 are based on the 2005-2007 Experience Study.

Village of Round Lake Beach, Illinois
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
Police Pension Fund
April 30, 2009

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)
4/30/2008	10,890,053	18,135,057	7,245,004	60.0%	2,775,802	261.0%
4/30/2007	10,467,118	16,940,905	6,473,787	61.8%	2,587,978	250.1%
4/30/2006	9,938,382	15,593,498	5,655,116	63.7%	2,356,890	239.9%
4/30/2005	9,051,618	14,738,480	5,686,862	61.4%	2,331,900	243.9%
4/30/2004	8,526,103	13,324,397	4,798,294	64.0%	2,185,061	219.6%
4/30/2003	7,759,487	11,798,483	4,038,996	65.8%	1,786,158	226.1%
4/30/2002	7,804,137	11,222,408	3,418,271	69.5%	1,763,299	193.9%
12/31/2001	8,006,202	10,094,610	2,088,408	79.3%	1,630,970	128.0%
12/31/2000	8,427,660	9,111,428	683,768	92.5%	1,541,218	44.4%
12/31/1999 \$	4,907,657	\$ 7,135,988	\$ 2,228,331	68.8% \$	1,508,883	147.7%

Village of Round Lake Beach, Illinois
SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

General Fund

For the year ended April 30, 2009

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes	\$ 3,806,135	\$ 3,856,597	\$ 50,462
Intergovernmental	4,863,500	4,726,099	(137,401)
Licenses and permits	550,300	583,702	33,402
Fines	610,100	451,608	(158,492)
Charges for services	113,000	125,855	12,855
Interest	137,375	82,159	(55,216)
Miscellaneous	67,175	52,269	(14,906)
Total revenues	<u>10,147,585</u>	<u>9,878,289</u>	<u>(269,296)</u>
Expenditures			
General government			
Legislative	517,169	462,463	54,706
Boards and commissions	48,581	78,320	(29,739)
Administration	261,446	264,797	(3,351)
Village clerk	9,589	10,172	(583)
Finance	174,031	181,160	(7,129)
Village president's office	22,100	23,411	(1,311)
Insurance	623,035	560,367	62,668
Public safety	6,302,493	6,011,010	291,483
Economic development	982,455	659,890	322,565
Public works	1,531,686	1,538,218	(6,532)
Total expenditures	<u>10,472,585</u>	<u>9,789,808</u>	<u>682,777</u>
Excess (deficiency) of revenues over expenditures	(325,000)	88,481	413,481
Other financing sources			
Net proceeds from sale of property held for resale	325,000	11,093	(313,907)
Net change in fund balance	<u>\$ -</u>	99,574	<u>\$ 99,574</u>
Fund balance, beginning of year		<u>6,493,458</u>	
Fund balance, end of year		<u>\$ 6,593,032</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, 2009

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Taxes			
Real estate taxes	\$ 1,750,000	\$ 1,926,260	\$ 176,260
Interest on investments	<u>20,000</u>	<u>12,643</u>	<u>(7,357)</u>
Total revenues	<u>1,770,000</u>	<u>1,938,903</u>	<u>168,903</u>
Expenditures			
Economic development TIF rebates	<u>1,770,000</u>	<u>1,939,475</u>	<u>(169,475)</u>
Deficiency of revenues over expenditures	<u>\$ -</u>	(572)	<u>\$ (572)</u>
Fund Balance			
Beginning of year		<u>1,313</u>	
End of year		<u>\$ 741</u>	

Village of Round Lake Beach, Illinois
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
April 30, 2009

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

Assumptions:

The actuarial assumptions used to determine the actuarial accrued liability for 2008 are based on the 2005 - 2007 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. 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, 2009

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 2009.

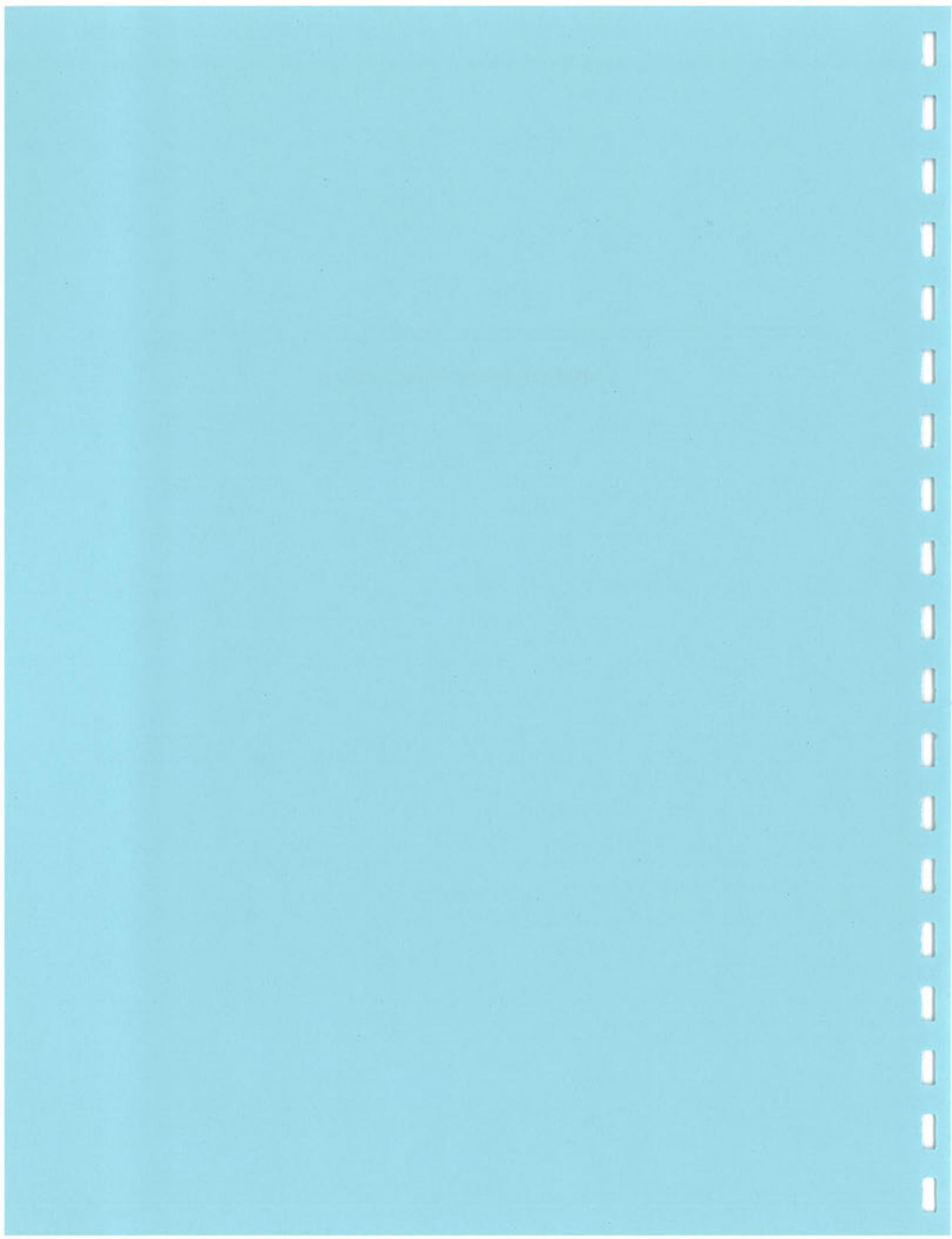
All governmental fund type budgets are prepared on a modified-accrual basis. Proprietary fund type budgets, which are prepared for management control purposes, are prepared on the accrual basis except that depreciation and amortization are not budgeted. The budgetary authority to spend lapses at April 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	\$ 1,939,475	\$ 1,770,000	\$ 169,475
General Improvement Fund	1,325,779	929,338	396,441
TIF # 1 Debt Service Fund	1,042,652	1,027,237	15,415
TIF # 3	144,253	129,000	15,253
Civic Center Fund	127,935	116,029	11,906

The excesses of expenditures over budgeted amounts in the TIF # 2 Special Revenue Fund and TIF # 3 Fund are offset by similar excesses of revenue over budgeted amounts in these funds, due to higher than expected property tax increment increase. The excess of the expenditures in the TIF # 1 Debt Service Fund is due to an arbitrage payment. The excess of expenditures in the Civic Center Fund is due to salary and utility expenditures incurred that were higher than budgeted. The excess of expenditures in the General Improvement Fund was due to an unexpected property purchase for economic development purposes, and internal costs of development for that project that were not budgeted.

Supplementary Information



Village of Round Lake Beach, Illinois
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
General Fund
For the year ended April 30, 2009

	Original and Final Budget	Actual	Variance Positive (Negative)
Taxes			
Property Tax			
Corporate fund	\$ 980,000	\$ 983,425	\$ 3,425
Liability insurance	188,107	187,845	(262)
Police protection	145,000	143,646	(1,354)
Auditing	34,000	33,149	(851)
IMRF	178,581	179,005	424
Road and bridge	32,000	34,172	2,172
Police pension	684,447	685,036	589
Total Property Tax	2,242,135	2,246,278	4,143
Other Taxes			
Home rule	164,000	128,505	(35,495)
Telephone	525,000	544,443	19,443
Gas	210,000	228,463	18,463
Electric	420,000	392,130	(27,870)
Amusement	245,000	316,778	71,778
Total Other Taxes	1,564,000	1,610,319	46,319
Total Taxes	3,806,135	3,856,597	50,462
Intergovernmental - Revenue from Other Agencies			
Sales tax	2,100,000	2,086,833	(13,167)
Use	350,000	367,042	17,042
Personal property replacement tax	17,500	17,144	(356)
Income tax	2,365,000	2,234,944	(130,056)
Grant revenue	7,000	6,567	(433)
Police training grant reimbursement	24,000	13,569	(10,431)
Total Intergovernmental - Revenue from Other Agencies	4,863,500	4,726,099	(137,401)
Licenses and Permits			
Business certificates	50,000	64,266	14,266
Liquor	22,500	24,325	1,825
Billboard licenses	800	1,200	400
Contractor application fee	4,500	7,900	3,400
Rental certification	38,000	45,950	7,950
Occupancy permits	30,000	17,010	(12,990)
Building permits	210,000	221,699	11,699
Cable TV franchise fee	142,000	145,485	3,485
Nicor gas franchise fee	48,000	50,167	2,167

(Continued)

Village of Round Lake Beach, Illinois
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)
General Fund
For the year ended April 30, 2009

	Original and Final Budget	Actual	Variance Positive (Negative)
Licenses and Permits (Continued)			
Annex/ZBA/Plan	\$ 4,500	\$ 5,700	\$ 1,200
Total Licenses and Permits	<u>550,300</u>	<u>583,702</u>	<u>33,402</u>
Fines			
Police fines	487,000	348,520	(138,480)
State seizure revenue	1,500	6,131	4,631
DUI revenues	12,600	6,600	(6,000)
Tobacco enforcement	7,000	3,750	(3,250)
Towing revenues	80,000	63,450	(16,550)
Drug control revenues	-	1,194	1,194
False alarm	11,500	17,200	5,700
Building fines	10,500	4,763	(5,737)
Total Fines	<u>610,100</u>	<u>451,608</u>	<u>(158,492)</u>
Interest	<u>137,375</u>	<u>82,159</u>	<u>(55,216)</u>
Charges for Services			
Police photocopy service	4,500	4,828	328
Lien	8,500	31,810	23,310
Lien - other	11,000	-	(11,000)
Police security services	7,500	6,270	(1,230)
Daily parking collections	26,000	36,169	10,169
Recycling rev - bins/swalco	20,000	21,709	1,709
Community event	35,000	25,069	(9,931)
Yard waste sticker sales	500	-	(500)
Total Charges for Services	<u>113,000</u>	<u>125,855</u>	<u>12,855</u>
Miscellaneous			
Rental income	21,000	27,050	6,050
Miscellaneous	46,175	25,219	(20,956)
Total Miscellaneous	<u>67,175</u>	<u>52,269</u>	<u>(14,906)</u>
Total Revenues	<u>\$ 10,147,585</u>	<u>\$ 9,878,289</u>	<u>\$ (269,296)</u>

(Concluded)

Village of Round Lake Beach, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 General Fund
 For the year ended April 30, 2009

	Original and Final Budget	Actual	Variance Positive (Negative)
General Government			
Legislative			
Salaries - full time	\$ 28,800	\$ 28,800	\$ -
IMRF	1,866	1,527	339
FICA	1,786	1,786	-
Medicare	418	418	-
Village building stipend	3,600	3,600	-
Training	2,045	1,300	745
Travel/food	10,872	6,526	4,346
Dues and subscriptions	36,882	34,540	2,342
Employee recognition	17,400	9,269	8,131
Telephone	-	150	(150)
Postage	50	369	(319)
Printing, advertising, publishing	1,775	3,235	(1,460)
Video service	5,200	4,629	571
Legal	378,000	345,686	32,314
Community events	20,225	13,529	6,696
Dollars for scholars	6,000	6,000	-
Miscellaneous	2,250	1,099	1,151
Total Legislative	517,169	462,463	54,706
Boards and Commissions			
Salaries - part time	3,990	4,320	(330)
FICA	264	138	126
Medicare	62	32	30
Training	1,800	555	1,245
Travel/food	810	192	618
Dues and subscriptions	375	375	-
Office supplies	-	529	(529)
Printing, advertising, publishing	1,500	1,207	293
Tech services	25,180	18,287	6,893
Equipment purchase	-	484	(484)
Legal	14,100	51,997	(37,897)
Miscellaneous	500	204	296
Total Boards and Commissions	48,581	78,320	(29,739)
Administration			
Salaries - full time	163,123	164,283	(1,160)
Health insurance	38,974	35,303	3,671
IMRF	12,720	12,084	636
FICA	10,114	9,080	1,034
Medicare	2,365	2,245	120
Training	1,262	666	596
Travel/food	1,160	576	584

(Continued)

Village of Round Lake Beach, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
General Fund
For the Year Ended April 30, 2009

	Original and Final Budget	Actual	Variance Positive (Negative)
Administration (Continued)			
Dues and subscriptions	\$ 1,000	\$ 1,076	\$ (76)
Office supplies	705	272	433
Telephone	1,200	729	471
Cellular phone	1,200	1,272	(72)
Postage	213	145	68
Printing, advertising, publishing	275	118	157
Village newsletter	14,260	13,756	504
Web page maintenance	7,100	18,086	(10,986)
Data processing	100	17	83
Payroll processing	3,850	3,593	257
Equipment purchase	-	64	(64)
Equipment maintenance/rental	-	68	(68)
Fuel/oil	1,350	1,342	8
Pre-employment background and testing	475	22	453
Total Administration	261,446	264,797	(3,351)
Village Clerk			
Training	217	227	(10)
Travel/food	432	291	141
Dues and subscriptions	240	40	200
Office supplies	750	438	312
Telephone	600	156	444
Postage	150	2,796	(2,646)
Printing, advertising, publishing	250	196	54
Data processing	100	17	83
Codification	4,700	5,567	(867)
Archiving	1,000	444	556
Village board expense stipend	1,000	-	1,000
Miscellaneous	150	-	150
Total Village Clerk	9,589	10,172	(583)
Finance			
Salaries - full time	71,398	75,871	(4,473)
Health insurance	9,056	8,771	285
IMRF	4,627	4,679	(52)
FICA	4,427	4,572	(145)
Medicare	1,035	1,069	(34)
Training	178	43	135
Travel/food	343	582	(239)
Due and subscriptions	330	308	22
Office supplies	2,250	2,060	190
Telephone	2,700	1,863	837

(Continued)

Village of Round Lake Beach, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
General Fund
For the year ended April 30, 2009

	Original and Final Budget	Actual	Variance Positive (Negative)
Finance (Continued)			
Postage	\$ 1,800	\$ 1,001	\$ 799
Printing, advertising, publishing	1,387	1,377	10
Network support	23,850	28,414	(4,564)
Data processing	9,730	9,243	487
Cafeteria plan	600	520	80
Equipment maintenance	2,320	2,139	181
Liens	500	2,427	(1,927)
Auditor/financial consultant	37,500	36,150	1,350
Miscellaneous	-	71	(71)
Total Finance	174,031	181,160	(7,129)
Village President's Office			
Salaries - full time	15,000	15,206	(206)
IMRF	972	965	7
FICA	930	943	(13)
Medicare	218	221	(3)
Village building stipend	1,200	1,200	-
Training	500	320	180
Travel/food	2,130	3,046	(916)
Office supplies	-	62	(62)
Telephone	300	156	144
Cellular phone	-	386	(386)
Postage	-	27	(27)
Printing, advertising, publishing	150	64	86
Data processing	200	-	200
Miscellaneous	500	815	(315)
Total Village President's Office	22,100	23,411	(1,311)
Financing and Insurance			
Liability insurance	188,507	94,418	94,089
Worker's compensation	-	94,054	(94,054)
Unemployment insurance	6,000	(337)	6,337
Postage	-	(491)	491
Bank fees	6,144	5,003	1,141
Interest	150,000	109,358	40,642
Principal	272,384	236,757	35,627
Miscellaneous	-	21,605	(21,605)
Total Financing and Insurance	623,035	560,367	62,668
Total General Government	1,655,951	1,580,690	75,261

(Continued)

Village of Round Lake Beach, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
General Fund
For the year ended April 30, 2009

	Original and Final Budget	Actual	Variance Positive (Negative)
Public Safety			
Salaries - full time	\$ 3,513,509	\$ 3,177,615	\$ 335,894
Salaries - part time	8,000	8,037	(37)
Overtime	321,090	334,301	(13,211)
Health insurance	600,409	637,051	(36,642)
Police pension contribution	684,447	685,150	(703)
IMRF	36,577	26,892	9,685
FICA	30,771	28,277	2,494
Medicare	54,551	46,892	7,659
Training	26,355	26,342	13
Travel/food	11,115	15,327	(4,212)
Clothing	38,725	37,177	1,548
Due and subscriptions	22,000	22,507	(507)
Safety equipment	3,250	3,272	(22)
Medical supplies	400	265	135
Office supplies	9,530	9,650	(120)
Telephone	15,125	23,171	(8,046)
Cellular phone	13,250	10,802	2,448
Wi-fi services	24,650	16,524	8,126
Postage	5,570	6,793	(1,223)
Printing, advertising, publishing	8,812	7,781	1,031
Tech services	21,500	21,278	222
Data processing	5,400	1,776	3,624
Animal control	-	6,675	(6,675)
Equipment purchase	1,500	2,654	(1,154)
Equipment lease	5,200	4,715	485
Equipment maintenance	5,850	6,498	(648)
Furnitures and fixtures	950	1,200	(250)
Vehicle accessories	1,600	1,412	188
Vehicle maintenance	72,500	64,265	8,235
Fuel/oil	101,600	95,508	6,092
Planning and consulting	18,600	14,080	4,520
Operating supplies	6,665	6,986	(321)
Community service	4,000	5,943	(1,943)
Weapons supplies	12,925	3,739	9,186
Jail expense	18,000	22,287	(4,287)
Cencom	502,000	491,432	10,568
Payroll contingency	62,167	99,792	(37,625)
Warning siren	4,300	3,807	493
Drug prevention asset seizure	3,000	500	2,500
DUI prevention	12,600	20,825	(8,225)
Grant expense	14,000	6,411	7,589
Mobile eye expense	-	5,401	(5,401)
Total Public Safety	<u>6,302,493</u>	<u>6,011,010</u>	<u>291,483</u>

(Continued)

Village of Round Lake Beach, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
General Fund
For the year ended April 30, 2009

	Original and Final Budget	Actual	Variance Positive (Negative)
Economic Development			
Salaries - full time	\$ 264,768	\$ 226,590	\$ 38,178
Health insurance	77,121	51,718	25,403
IMRF	17,106	13,264	3,842
FICA	16,416	13,341	3,075
Medicare	3,839	3,120	719
Training	5,780	1,299	4,481
Travel/food	800	278	522
Clothing	4,000	2,160	1,840
Due and subscriptions	1,850	270	1,580
Office supplies	4,500	564	3,936
Telephone	7,500	3,129	4,371
Cellular phone	2,750	2,916	(166)
Postage	5,000	4,579	421
Printing, advertising, publishing	7,000	8,601	(1,601)
Data processing	250	116	134
Pre-employment screening	350	583	(233)
Film/batteries	500	310	190
Equipment purchase	500	209	291
Equipment maintenance	1,000	226	774
Vehicle accessories	250	-	250
Fuel/oil	6,075	6,420	(345)
Planning/consulting	100,000	135,967	(35,967)
Engineering	2,000	3,475	(1,475)
Subcontract plumbing inspector	4,500	5,520	(1,020)
Elevator inspections	1,500	1,658	(158)
Boardups	1,000	3,435	(2,435)
Utilities	1,200	-	1,200
Utilities - natural gas	1,200	-	1,200
Bank fees	150	75	75
Interest expense	12,000	12,553	(553)
Property purchase	240,000	-	240,000
Property tax expense	6,000	3,493	2,507
Amusement tax rebate	80,000	80,000	-
Rental management	1,000	300	700
Building maintenance	63,550	1,000	62,550
Miscellaneous	1,000	34,531	(33,531)
Community events	40,000	38,190	1,810
Total Economic Development	982,455	659,890	322,565

(Continued)

Village of Round Lake Beach, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
General Fund
For the year ended April 30, 2009

	Original and Final Budget	Actual	Variance Positive (Negative)
Public Works			
Salaries - full time	\$ 660,603	\$ 651,587	\$ 9,016
Salaries - part time	16,500	12,450	4,050
Overtime	28,000	36,751	(8,751)
Health insurance	164,843	151,520	13,323
IMRF	45,691	41,657	4,034
FICA	43,716	41,569	2,147
Medicare	10,224	9,722	502
Medical exams	250	427	(177)
Medical expenses	1,450	2,099	(649)
Training	875	942	(67)
Travel/food	1,285	788	497
Clothing	6,594	5,157	1,437
Due and subscriptions	285	512	(227)
Safety equipment	2,765	2,471	294
Office supplies	1,400	1,146	254
Telephone	4,000	6,052	(2,052)
Cellular phone	5,700	5,247	453
Utilities	17,500	16,505	995
Natural gas	29,000	44,422	(15,422)
Postage	75	106	(31)
Printing, advertising, publishing	750	963	(213)
Tech services	2,500	-	2,500
Data processing	500	274	226
Pre-employment screening	450	194	256
Janitorial services	27,770	28,158	(388)
Janitorial supplies	1,890	4,307	(2,417)
Parking lot improvements	35,000	9,170	25,830
Debris disposal	-	1,330	(1,330)
Furniture/fixtures	600	104	496
Equipment purchase	7,145	5,488	1,657
Equipment maintenance	18,000	11,478	6,522
Equipment lease	3,000	1,086	1,914
Vehicle accessories	3,500	1,729	1,771
Vehicle maintenance	45,000	36,559	8,441
Fuel/oil	35,700	36,318	(618)
Engineering	-	18,402	(18,402)
Park maintenance	9,750	7,052	2,698
Storm sewer maintenance	10,000	8,302	1,698
Building maintenance	20,000	28,845	(8,845)
Street light maintenance	80,100	95,754	(15,654)
Traffic signal maintenance	20,000	43,568	(23,568)
Lifeguards	28,000	26,067	1,933

(Continued)

Village of Round Lake Beach, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 General Fund
 For the year ended April 30, 2009

	Original and Final Budget	Actual	Variance Positive (Negative)
Public Works (Continued)			
Pest control	\$ 37,275	\$ 38,680	\$ (1,405)
Mowing contract	77,000	77,193	(193)
Street sweeping	15,000	13,990	1,010
Tree replacement	6,000	954	5,046
Graffiti removal	2,500	2,186	314
Contractual services	-	5,757	(5,757)
Holiday decorations	1,000	142	858
Miscellaneous	2,500	3,038	(538)
Total Public Works	<u>1,531,686</u>	<u>1,538,218</u>	<u>(6,532)</u>
Total Expenditures	<u>\$ 10,472,585</u>	<u>\$ 9,789,808</u>	<u>\$ 682,777</u>

(Concluded)

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.

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.

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.

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.

This page intentionally left blank

Village of Round Lake Beach, Illinois
COMBINING BALANCE SHEET
 Nonmajor Governmental Funds
 April 30, 2009

	<u>Special Revenue</u>		
	<u>Motor Fuel Tax</u>	<u>Civic Center</u>	<u>TIF #3</u>
ASSETS			
Cash and investments	\$ 1,331,295	\$ -	\$ 90,968
Receivables			
Property taxes	-	-	134,394
Other	-	2,278	-
Due from other governments	<u>51,638</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 1,382,933</u>	<u>\$ 2,278</u>	<u>\$ 225,362</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	19,435	14,809	-
Accrued payroll	-	743	-
Advances from other funds	-	92,823	-
Deposits payable	-	-	-
Retention payable	-	-	6,079
Unearned revenue	-	-	134,394
Total liabilities	<u>19,435</u>	<u>108,375</u>	<u>140,473</u>
Fund balances			
Reserved for capital projects	-	-	-
Reserved for streets and highways	1,363,498	-	-
Reserved for economic development	-	(106,097)	84,889
Reserved for debt service	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>1,363,498</u>	<u>(106,097)</u>	<u>84,889</u>
Total liabilities and fund balances	<u>\$ 1,382,933</u>	<u>\$ 2,278</u>	<u>\$ 225,362</u>

Total Special Revenue Funds	Debt Service General Obligation Debt	Capital Projects General Improvement	Total Nonmajor Governmental Funds
\$ 1,422,263	\$ 2,084,768	\$ 233,207	\$ 3,740,238
134,394	-	-	134,394
2,278	46,328	23,843	72,449
51,638	114,878	589,811	756,327
\$ 1,610,573	\$ 2,245,974	\$ 846,861	\$ 4,703,408
34,244	-	59,179	\$ 93,423
743	-	-	743
92,823	-	-	92,823
-	-	1,999	1,999
6,079	-	5,917	11,996
134,394	-	-	134,394
268,283	-	67,095	335,378
-	-	779,766	779,766
1,363,498	-	-	1,363,498
(21,208)	-	-	(21,208)
-	2,245,974	-	2,245,974
1,342,290	2,245,974	779,766	4,368,030
\$ 1,610,573	\$ 2,245,974	\$ 846,861	\$ 4,703,408

Village of Round Lake Beach, Illinois
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

Nonmajor Governmental Funds
STATEMENT OF ACTIVITIES
For the year ended April 30, 2009

	Special Revenue			
	Motor Fuel Tax	Civic Center	TIF #3	Total
Revenues				
Taxes	\$ -	\$ -	\$ 114,165	\$ 114,165
Intergovernmental	699,326	-	-	699,326
Grants and contributions	-	14,635	-	14,635
Charges for services	-	43,078	-	43,078
Rental income	-	-	-	-
Interest	15,370	-	2,035	17,405
Miscellaneous	21,393	1,315	-	22,708
Total revenues	<u>736,089</u>	<u>59,028</u>	<u>116,200</u>	<u>911,317</u>
Expenditures				
Current				
Economic development	-	-	-	-
General government	-	127,905	-	127,905
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Fiscal agent fees	-	-	-	-
Capital outlay	596,807	30	144,253	741,090
Total expenditures	<u>596,807</u>	<u>127,935</u>	<u>144,253</u>	<u>868,995</u>
Excess (deficiency) of revenues over expenditures	<u>139,282</u>	<u>(68,907)</u>	<u>(28,053)</u>	<u>42,322</u>
Other financing sources				
Proceeds from sale of equipment	-	-	-	-
Capital leases	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	139,282	(68,907)	(28,053)	42,322
Fund balances - beginning of year	<u>1,224,216</u>	<u>(37,190)</u>	<u>112,942</u>	<u>1,299,968</u>
Fund balances - end of year	<u>\$ 1,363,498</u>	<u>\$ (106,097)</u>	<u>\$ 84,889</u>	<u>\$ 1,342,290</u>

<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
<u>General</u> <u>Obligation</u> <u>Debt</u>	<u>General</u> <u>Improvement</u>	<u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>
\$ 1,304,680	\$ 438,171	\$ 1,857,016
-	124,336	823,662
-	-	14,635
-	1,250	44,328
-	68,801	68,801
23,767	7,361	48,533
-	-	22,708
<u>1,328,447</u>	<u>639,919</u>	<u>2,879,683</u>
-	1,134	1,134
-	-	127,905
760,000	-	760,000
658,524	-	658,524
1,485	-	1,485
-	1,324,645	2,065,735
<u>1,420,009</u>	<u>1,325,779</u>	<u>3,614,783</u>
<u>(91,562)</u>	<u>(685,860)</u>	<u>(735,100)</u>
-	5,942	5,942
-	248,514	248,514
-	254,456	254,456
(91,562)	(431,404)	(480,644)
<u>2,337,536</u>	<u>1,211,170</u>	<u>4,848,674</u>
<u>\$ 2,245,974</u>	<u>\$ 779,766</u>	<u>\$ 4,368,030</u>

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, 2009

	<u>Motor Fuel Tax Fund</u>		<u>Civic Center Fund</u>	
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Original and Final Budget</u>	<u>Actual</u>
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental				
Allotments from state of Illinois	775,000	699,326	-	-
Grants and contributions	-	-	25,000	14,635
Charges for services	-	-	55,500	43,078
Interest on investments	40,000	15,370	1,000	-
Other income	-	21,393	1,000	1,315
Total revenues	<u>815,000</u>	<u>736,089</u>	<u>82,500</u>	<u>59,028</u>
Expenditures				
General government	-	-	115,829	127,905
Capital outlay				
Civic center	-	-	200	30
Roadway improvements	1,025,000	596,807	-	-
TIF districts	-	-	-	-
Total expenditures	<u>1,025,000</u>	<u>596,807</u>	<u>116,029</u>	<u>127,935</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (210,000)</u>	139,282	<u>\$ (33,529)</u>	(68,907)
Fund Balance				
Beginning of year		<u>1,224,216</u>		<u>(37,190)</u>
End of year		<u>\$ 1,363,498</u>		<u>\$ (106,097)</u>

TIF # 3		Totals	
Original and Final Budget	Actual	Original and Final Budget	Actual
\$ 85,000	\$ 114,165	\$ 85,000	\$ 114,165
-	-	775,000	699,326
-	-	25,000	14,635
-	-	55,500	43,078
3,000	2,035	44,000	17,405
-	-	1,000	22,708
<u>88,000</u>	<u>116,200</u>	<u>985,500</u>	<u>911,317</u>
-	-	115,829	127,905
-	-	200	30
-	-	1,025,000	596,807
<u>129,000</u>	<u>144,253</u>	<u>129,000</u>	<u>144,253</u>
<u>129,000</u>	<u>144,253</u>	<u>1,270,029</u>	<u>868,995</u>
<u>\$ (41,000)</u>	(28,053)	<u>\$ (284,529)</u>	42,322
	<u>112,942</u>		<u>1,299,968</u>
	<u>\$ 84,889</u>		<u>\$ 1,342,290</u>

Village of Round Lake Beach, Illinois
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 Debt Service Funds
 For the year ended April 30, 2009

	TIF #1 Debt Service		Nonmajor General Obligation Debt	
	Original and Final Budget	Actual	Original and Final Budget	Actual
Revenues				
Taxes	\$ 1,550,000	\$ 1,891,047	\$ 1,304,680	\$ 1,304,680
Intergovernmental	1,895,264	1,801,808	-	-
Interest on investments	95,000	65,018	40,000	23,767
Total revenues	<u>3,540,264</u>	<u>3,757,873</u>	<u>1,344,680</u>	<u>1,328,447</u>
Expenditures				
Debt service				
Principal	840,000	840,000	760,000	760,000
Interest	184,237	199,167	658,523	658,524
Bond issue costs	-	-	6,600	-
Fiscal agent fees	3,000	3,485	1,500	1,485
Total expenditures	<u>1,027,237</u>	<u>1,042,652</u>	<u>1,426,623</u>	<u>1,420,009</u>
Excess (deficiency) of revenues over expenditures	<u>2,513,027</u>	<u>2,715,221</u>	<u>(81,943)</u>	<u>(91,562)</u>
Other financing uses				
Transfers out	<u>(2,513,027)</u>	<u>(2,806,217)</u>	<u>-</u>	<u>-</u>
Total other financing uses	<u>(2,513,027)</u>	<u>(2,806,217)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing uses over expenditures	<u>\$ -</u>	<u>(90,996)</u>	<u>\$ (81,943)</u>	<u>(91,562)</u>
Fund Balance				
Beginning of year		<u>1,867,656</u>		<u>2,337,536</u>
End of year		<u>\$ 1,776,660</u>		<u>\$ 2,245,974</u>

Totals	
Original and Final Budget	Actual
\$ 2,854,680	\$ 3,195,727
1,895,264	1,801,808
135,000	88,785
<u>4,884,944</u>	<u>5,086,320</u>
1,600,000	1,600,000
842,760	857,691
6,600	-
4,500	4,970
<u>2,453,860</u>	<u>2,462,661</u>
<u>2,431,084</u>	<u>2,623,659</u>
<u>(2,513,027)</u>	<u>(2,806,217)</u>
<u>(2,513,027)</u>	<u>(2,806,217)</u>
\$ <u>(81,943)</u>	(182,558)
	<u>4,205,192</u>
	\$ <u>4,022,634</u>

Village of Round Lake Beach, Illinois
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 Capital Projects Funds
 For the year ended April 30, 2009

	TIF #1 Capital Project Fund		Bond Capital Projects Fund	
	Original and Final Budget	Actual	Original and Final Budget	Actual
Revenues				
Capital projects				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Rental income	-	-	-	-
Interest on investments	90,000	52,190	75,000	29,619
Use of fund balance	2,258,976	-	-	-
Total revenues	<u>2,348,976</u>	<u>52,190</u>	<u>75,000</u>	<u>29,619</u>
Expenditures				
Current				
Economic development	15,000	7,699	-	-
Debt service				
Principal	93,753	84,059	-	-
Interest	6,250	5,935	-	-
Capital outlay	4,747,000	1,315,495	1,426,330	1,163,914
Total expenditures	<u>4,862,003</u>	<u>1,413,188</u>	<u>1,426,330</u>	<u>1,163,914</u>
Excess (deficiency) of revenues over expenditures	<u>(2,513,027)</u>	<u>(1,360,998)</u>	<u>(1,351,330)</u>	<u>(1,134,295)</u>
Other financing sources				
Transfer in	2,513,027	2,806,217	-	-
Proceeds from sale of capital assets	-	-	-	387,667
Proceeds from equipment under capital lease	-	-	-	-
Total other financing sources	<u>2,513,027</u>	<u>2,806,217</u>	<u>-</u>	<u>387,667</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>\$ -</u>	<u>1,445,219</u>	<u>\$ (1,351,330)</u>	<u>(746,628)</u>
Fund Balance				
Beginning of year		<u>3,957,431</u>		<u>845,646</u>
End of year		<u>\$ 5,402,650</u>		<u>\$ 99,018</u>

Nonmajor General Improvement Fund		Totals	
Original and Final Budget	Actual	Original and Final Budget	Actual
\$ 484,082	\$ 438,171	\$ 484,082	\$ 438,171
43,260	124,336	43,260	124,336
5,000	1,250	5,000	1,250
34,032	68,801	34,032	68,801
18,000	7,361	183,000	89,170
-	-	2,258,976	-
<u>584,374</u>	<u>639,919</u>	<u>3,008,350</u>	<u>721,728</u>
-	1,134	15,000	8,833
-	-	93,753	84,059
-	-	6,250	5,935
<u>929,338</u>	<u>1,324,645</u>	<u>7,102,668</u>	<u>3,804,054</u>
<u>929,338</u>	<u>1,325,779</u>	<u>7,217,671</u>	<u>3,902,881</u>
<u>(344,964)</u>	<u>(685,860)</u>	<u>(4,209,321)</u>	<u>(3,181,153)</u>
-	-	2,513,027	2,806,217
19,000	5,942	19,000	393,609
-	248,514	-	248,514
<u>19,000</u>	<u>254,456</u>	<u>2,532,027</u>	<u>3,448,340</u>
\$ <u>(325,964)</u>	(431,404)	\$ <u>(1,677,294)</u>	267,187
	<u>1,211,170</u>		<u>6,014,247</u>
\$ <u>779,766</u>		\$ <u>6,281,434</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, 2009

	Original and Final Budget	Actual	Variance Positive (Negative)
Operating revenues			
Charges for services	\$ 3,842,150	\$ 3,806,639	\$ (35,511)
Tap on fees	33,000	183,633	150,633
Total operating revenue	3,875,150	3,990,272	115,122
Operating expenses			
Administration	775,421	706,569	68,852
Operations	4,111,631	2,961,598	1,150,033
Total operating expenses	4,887,052	3,668,167	1,218,885
Operating income (loss) before depreciation	(1,011,902)	322,105	1,334,007
Depreciation	-	506,418	(506,418)
Operating income (loss)	(1,011,902)	(184,313)	827,589
Nonoperating revenues (expenses)			
Interest income	139,013	91,988	(47,025)
Interest expense	(50,386)	(58,843)	(8,457)
Grant revenue	73,000	-	(73,000)
Miscellaneous revenue	1,000	1,040	40
	162,627	34,185	(128,442)
Income (loss) before contributions and transfers	(849,275)	(150,128)	699,147
Contributions and transfers	-	1,549,683	1,549,683
Change in net assets	\$ (849,275)	1,399,555	\$ 2,248,830
Beginning of year		13,685,961	
End of year		\$ 15,085,516	