

Village of Round Lake Beach, Illinois

Annual Financial Report
Year Ended April 30, 2012

INTRODUCTORY SECTION

Village of Round Lake Beach, Illinois

Annual Financial Report

Year Ended April 30, 2012

Table of Contents

	<u>Page(s)</u>
Introductory Section	
Table of Contents	i - ii
Trustees and Officials	iii
Organization Chart	iv
Financial Section	
Independent Auditor's 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
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Assets	16
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	17 - 18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
Statement of Net Assets - Proprietary Fund – Waterworks and Sewerage Fund	20
Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Fund – Waterworks and Sewerage Fund	21
Statement of Cash Flows - Proprietary Fund – Waterworks and Sewerage Fund	22 - 23
Statement of Fiduciary Net Assets – Police Pension Fund	24
Statement of Changes in Fiduciary Net Assets – Police Pension Fund	25
Notes to Financial Statements	26 - 61
Required Supplementary Information (Unaudited)	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
General Fund	62
TIF #2 Special Revenue Fund	63
Analysis of Funding Progress	
Illinois Municipal Retirement Fund	64
Police Pension Fund	65
Other Post-Employment Benefits	66
Notes to Required Supplementary Information	67 - 68

Village of Round Lake Beach, Illinois

Annual Financial Report

Year Ended April 30, 2012

Table of Contents

	<u>Page(s)</u>
Financial Section (Continued)	
Supplemental Data (Combining and Individual Fund Financial Statements and Schedules, and Budgetary Schedules)	
Governmental Funds	
General Fund	
Combining Balance Sheet, by Account	69 - 70
Combining Statement of Revenues, Expenditures and Changes in Fund Balances, by Account	71 - 72
Schedule of Revenues and Other Financing Sources (Uses) - Budget and Actual	73 - 75
Schedule of Expenditures - Budget and Actual	76 - 84
Nonmajor Governmental Funds	
Combining Balance Sheet	85 - 86
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	87 - 88
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Special Revenue Funds	89 - 90
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Debt Service Funds	91
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Capital Projects Funds	92 - 93
Enterprise Fund	
Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual – Waterworks and Sewerage Fund	94

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

April 30, 2012

Legislative

Village Board of Trustees

Richard Hill, Village President

Jerry Mattingly

Tom Smith

Judy Armstrong

Larry Mount

Susan Butler

Sylvia Valadez

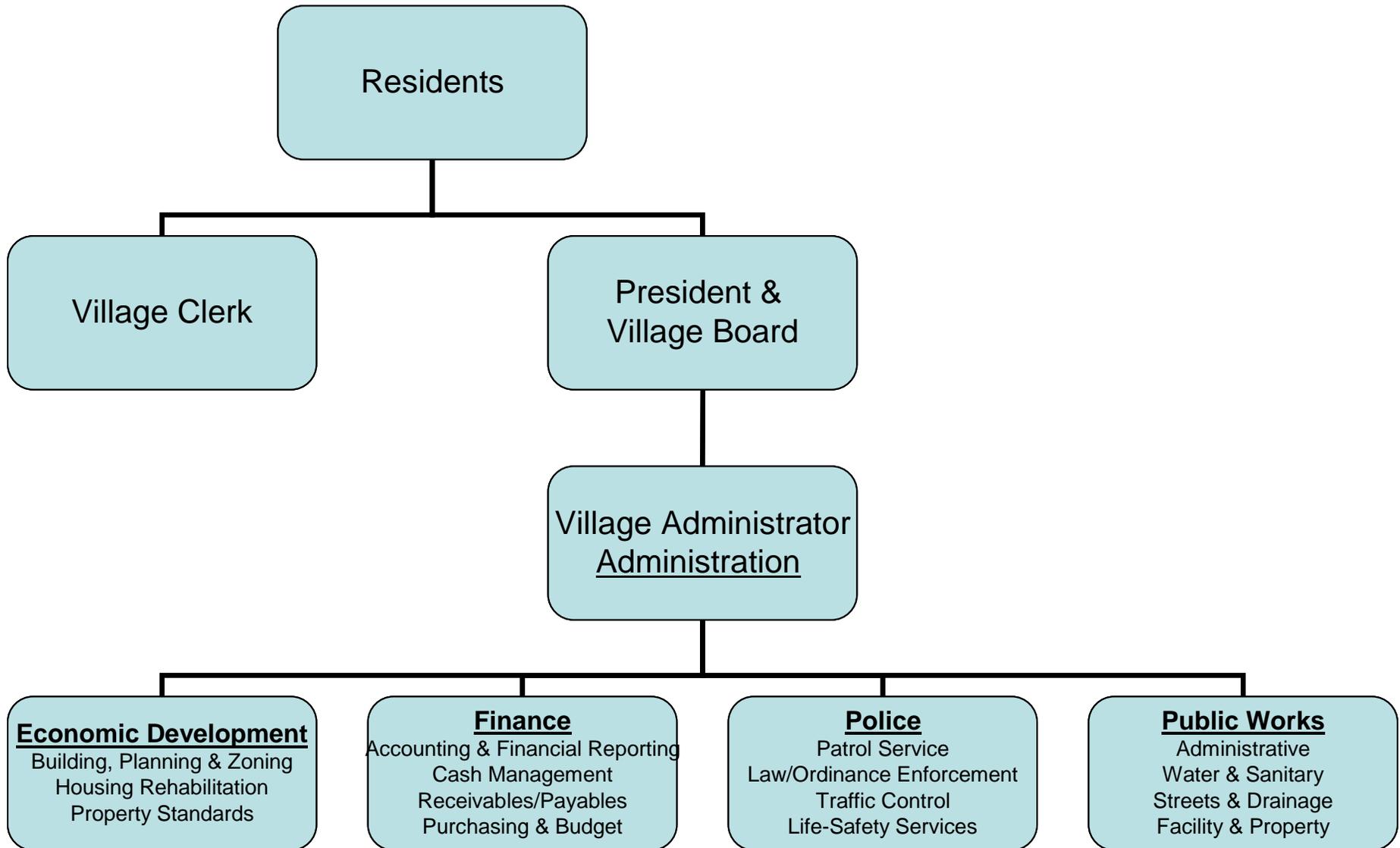
Administration

David Kilbane, Village Administrator

Department of Finance

Brian Gosnell, Finance Director

VILLAGE OF ROUND LAKE BEACH



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT



Independent Auditor's Report

The Honorable Village President
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 (Village), as of and for the year ended April 30, 2012, 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 of Round Lake Beach, Illinois' 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, which represents 85% of total assets and 60% of total revenues of the aggregate remaining fund information of the Village. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the pension trust fund is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 provides 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, 2012, and the respective changes in financial position and the cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1, as of May 1, 2011, the Village adopted the reporting and disclosure requirements of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3-10), budgetary comparison information (pages 62 and 63) and pension, and other post-employment benefit related information (pages 64-66) and notes to required supplementary information (pages 67-68) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 fund financial statements and other schedules as listed in the table of contents as supplemental data are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

McGladrey LLP

Schaumburg, Illinois
January 16, 2013

**Village of Round Lake Beach, Illinois
Management's Discussion and Analysis
April 30, 2012**

Management of the Village of Round Lake Beach provides this narrative overview of the financial statements and activity for the fiscal year ended April 30, 2012. It is intended to be read in conjunction with the financial statements.

Financial Highlights

- The Village's net assets increased by \$1,464,541 (1.27%) during the fiscal year ended April 30, 2012.
- The governmental activities net assets decreased by \$730,389 (0.73%) to \$99,196,353. Business-type activities net assets increased by \$2,194,930 (13.93%) to \$17,955,320.
- The Village reported a combined fund balance of the governmental funds of \$12,552,966, a decrease of 36.7% or \$7,278,310 primarily due to capital expenditures.
- The Village's General Fund reported an increase in fund balance of \$1,019,773 (16.30%) to \$7,274,960.
- Operations funded by the Village's General Fund cost \$306,715 (3.14%) more than in Fiscal Year 2011, while General Fund revenues increased by 9.35% or \$964,306 compared to the prior fiscal year.
- The Village's General Fund actual revenues slightly exceeded budgeted amounts by 6.64% and the actual expenditures were under the budgeted amounts by 3.64%.
- The Village's Total Government outstanding debt decreased by 7.19% compared to Fiscal Year 2011.

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 (economic) development, public works and debt service. The Village's water utility is its sole business-type activity. The government-wide financial statements can be found on pages 11 - 13 of this report.

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

Village of Round Lake Beach, Illinois
Management's Discussion and Analysis (Continued)
April 30, 2012

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 nine 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, the G.O. Bond Debt Service Fund and the Bond Capital Projects Fund. Three other funds are summarized under the heading, "Nonmajor Funds." Individual fund data for these funds is provided in the statements and schedules on pages 14 – 19 and 69 - 93.

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

Proprietary funds. The Village has only one proprietary fund, the Waterworks and Sewerage Fund. The revenues and cost of the services are reported in this section. In proprietary funds, the goal is to match the fee charged to the customers to the full cost of providing the service, including non-cash costs such as depreciation of capital assets. This fund is presented on pages 20 – 23 and page 94.

Fiduciary funds. The Village is the fiduciary for the Police Pension Fund. These activities are excluded from the Village's other financial statements because the Village cannot use these assets to finance its operations. The Village is responsible for ensuring that the assets reported in these funds are used for their intended purposes, but has no direct management of the money in this fund. The Police Pension Fund activities are reported in separate reports, the Statement of Fiduciary Plan Net Assets and the Statement of Changes in Fiduciary Plan Net Assets, on pages 24 - 25.

Notes to the financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26 - 61.

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 \$117,151,673 at the end of the most recent fiscal year.

Nearly ninety percent of total net assets is invested in capital assets, net of related debt, while 1.6% is restricted in its use by external sources. The remaining 8.8% is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

Village of Round Lake Beach, Illinois
Management's Discussion and Analysis (Continued)
April 30, 2012

The following table reflects the condensed Statement of Net Assets, comparing April 30, 2012, to April 30, 2011.

Village of Round Lake Beach – Condensed Statement of Net Assets

	Governmental Activities		Business-type Activities		Total Government	
	2012	2011	2012	2011	2012	2011
Assets						
Current and Other Assets	\$ 19,111,494	\$ 27,347,223	\$ 5,006,545	\$ 5,319,404	\$ 24,118,039	\$ 32,666,627
Capital Assets	112,079,419	107,373,877	16,758,509	14,728,100	128,837,928	122,101,977
Total Assets	131,190,913	134,721,100	21,765,054	20,047,504	152,955,967	154,768,604
Liabilities						
Current Liabilities	10,162,937	8,456,129	1,736,218	1,913,726	11,899,155	10,369,855
Non-current Liabilities	21,831,623	26,338,229	2,073,516	2,373,388	23,905,139	28,711,617
Total Liabilities	31,994,560	34,794,358	3,809,734	4,287,114	35,804,294	39,081,472
Net Assets						
Invested in Capital Assets, Net of Related Debt	90,189,899	85,534,457	14,824,136	12,675,333	105,014,035	98,209,790
Restricted	1,842,551	12,818,895	-	-	1,842,551	12,818,895
Unrestricted	7,163,903	1,573,390	3,131,184	3,085,057	10,295,087	4,658,447
Total Net Assets	\$ 99,196,353	\$ 99,926,742	\$17,955,320	\$15,760,390	\$ 117,151,673	\$ 115,687,132

**Village of Round Lake Beach, Illinois
Management's Discussion and Analysis (Continued)
April 30, 2012**

The following table shows the revenues and expenses of the Village's activities, broken out by type, comparing Fiscal Year 2012 to Fiscal Year 2011.

**Village of Round Lake Beach
Changes in Net Assets for the Fiscal Years ended April 30, 2012 and 2011**

	Governmental Activities		Business-type Activities		Total Government	
	2012	2011	2012	2011	2012	2011
Revenues						
Program Revenues						
Charges for Service	\$ 1,680,158	\$ 1,427,593	\$ 6,432,494	\$ 5,932,084	\$ 8,112,652	\$ 7,359,677
Operating Grants	1,069,468	874,803	-	-	1,069,468	874,803
Capital Grants/Contributions	-	510,090	-	218,313	-	728,403
Taxes						
Property Taxes	4,900,950	6,910,485	-	-	4,900,950	6,910,485
Sales Taxes	5,465,567	5,361,144	-	-	5,465,567	5,361,144
Other Revenue	4,818,450	4,491,073	17,790	30,234	4,836,240	4,521,307
Total Revenues	17,934,593	19,575,188	6,450,284	6,180,631	24,384,877	25,755,819
Expenses						
General government	1,432,078	1,844,261	-	-	1,432,078	1,844,261
Public safety	6,774,890	6,375,249	-	-	6,774,890	6,375,249
Economic development	2,960,370	2,880,881	-	-	2,960,370	2,880,881
Public works	4,089,001	5,242,247	-	-	4,089,001	5,242,247
Debt Service	1,091,552	1,215,969	-	-	1,091,552	1,215,969
Water	-	-	6,572,445	6,458,082	6,572,445	6,458,082
Total Expenses	16,347,891	17,558,607	6,572,445	6,458,082	22,920,336	24,016,689
Transfers	(2,317,091)	(1,760,887)	2,317,091	1,760,887	-	-
Excess (Deficiency)	(730,389)	255,694	2,194,930	1,483,436	1,464,541	1,739,130
Net Assets						
Beginning of Year	99,926,742	99,671,048	15,760,390	14,276,954	115,687,132	113,948,002
Total Net Assets - End of Year	\$ 99,196,353	\$ 99,926,742	\$ 17,955,320	\$ 15,760,390	\$ 117,151,673	\$ 115,687,132

In the governmental activities, total revenues decreased by \$1,640,595 (8.4%) compared to Fiscal Year 2011. The most significant decrease was in the property taxes category, which decreased by \$2,009,535 due to the expiration of TIF District #2. Sales tax, including the municipal share of the state income tax along with the home rules sales tax, increased by \$104,423 or 1.9%. Charges for service increased \$252,565 or 17.7%, and operating grants increased by \$194,665 or 22.3%. The "Other Revenue" category increased \$327,377 or 7.3%. "Other Revenue" includes income tax, utility taxes, amusement tax, use tax, and investment income, along with other miscellaneous income.

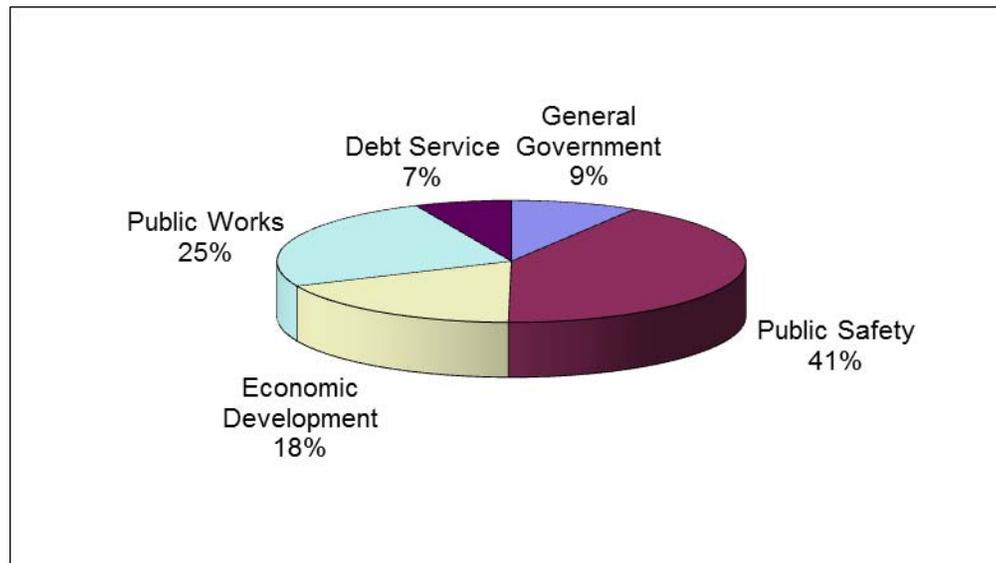
Governmental activities included a \$2.3 million transfer to business type activities due to the completion of water and sewer related TIF projects that were transferred to the water and sewer fund.

Governmental activity expenses decreased by \$1,210,716 compared to Fiscal Year 2011, or 6.9%. A significant decrease in the Public Works category of 22% accounts for the majority of the decrease.

**Village of Round Lake Beach, Illinois
Management's Discussion and Analysis (Continued)
April 30, 2012**

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

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



For business-type activities (the Water and Sewer Fund), revenues increased 4.4% while expenditures increased 1.8% compared with Fiscal Year 2011. The revenue increase is due to increases in charges for services and grant revenue, which increased by 8.4% and 100%, respectively.

Business-type activities received a transfer of \$2.3 million from governmental activities due to the completion of water and sewer related TIF projects that were transferred to the water and sewer fund.

The detailed revenues and expenditures/expenses compared to their budgeted amounts can be found in the Supplementary Information section on pages 69 - 93.

Financial Analysis of the Village's Funds

Governmental Funds. The focus of the Village's governmental funds statements on pages 14 - 19 is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unassigned fund balance may serve as the useful measure of a government's net resources available for spending at the end of the fiscal year. At April 30, 2012, the governmental funds reported a combined fund balance of \$12,552,966, which is a 36.7% decrease over Fiscal Year 2011. The biggest decreases in fund balance occurred in the TIF #1 Debt Service and Capital Projects Funds which decreased by 41.69% and 146.68%, respectively. Bond Funded Capital Projects Fund decreased by 67.22%.

Of the total fund balance, \$4,922,459 is unassigned, meaning that it is available for ongoing Village services. Of the remaining fund balance, \$1,473,650 is assigned for capital projects and street improvements; \$4,062,154 is assigned for debt service; and \$1,791,723 is restricted or nonspendable.

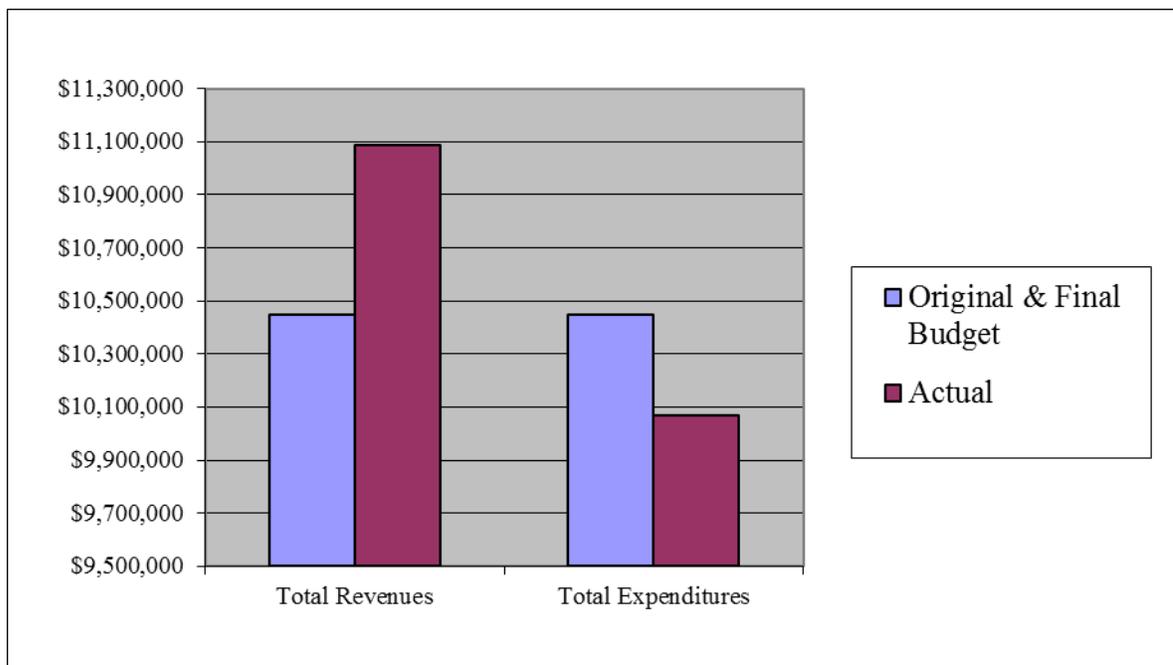
The General Fund is the Village's primary operating fund and the largest source of day-to-day service delivery. The General Fund fund balance increased by \$1,019,773 or 16.30%.

**Village of Round Lake Beach, Illinois
 Management's Discussion and Analysis (Continued)
 April 30, 2012**

General Fund Budgetary Highlights

The chart below shows how the Fiscal Year 2012 actual revenues and expenditures compared to the approved budget.

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



The General Fund actual revenues and other financing sources exceeded the original budgeted revenues by \$639,570 for Fiscal Year 2012. Revenue sources that were significantly greater than budgeted amounts include income tax (\$387,157 over the budget), use tax (\$91,216 over the budget), and police fines (\$175,509 over the budget). Revenue sources that fell significantly short of the budgeted amounts were telecommunications tax (\$10,459 or 3% short of budget) and road & bridge tax (\$7,287 or 22% short of budget). In addition, the Village budgeted for housing acquisition and rehabilitation activity (sale of property and use of loan proceeds) which did not materialize during the fiscal year, resulting in a \$209,925 revenue (miscellaneous revenue and other financing sources) shortfall.

The General Fund's total actual expenditures were \$380,203 under the General Fund budgeted amount of \$10,446,094. Financing and Insurance came in \$198,351 under budget. In addition, the Village was able to purchase homes at a very low purchase price and did not have as much rehab activity as planned. This resulted in \$145,572 in unspent budget in the Economic Development category. Unanticipated costs in other categories offset some of these savings.

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, 2012, amounts to \$128,837,928 (Note 4). This is a \$6,735,951 (5.52%) increase over Fiscal Year 2011.

Village of Round Lake Beach, Illinois
Management's Discussion and Analysis (Continued)
April 30, 2012

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

	Governmental Activities		Business-type Activities		Total Government	
	2012	2011	2012	2011	2012	2011
Land	\$ 38,485,115	\$ 38,461,425	\$ 79,258	\$ 79,258	\$ 4,813,409	\$ 4,663,505
Buildings	9,318,171	9,614,348	280,579	293,635	10,217,216	10,290,471
Wells and pumping stations	-	-	1,124,667	1,015,954	443,798	497,368
Sewer and water system	-	-	14,861,101	11,755,307	10,245,480	10,645,919
Infrastructure	51,482,860	51,732,738	-	-	80,716,198	81,739,879
Equipment, furniture, vehicles	798,334	976,904	184,462	238,444	1,216,820	1,316,079
Land improvements	5,915,597	6,131,610	-	-	6,363,895	3,407,264
Construction in progress	6,079,342	456,852	228,442	1,345,502	3,887,141	3,255,793
Net Capital Assets	\$ 112,079,419	\$ 107,373,877	\$ 16,758,509	\$ 14,728,100	\$ 128,837,928	\$ 122,101,977

Debt Outstanding

The Village had a total of \$26,647,913 in debt outstanding as of April 30, 2012. This is a \$2,063,704 (7.19%) decrease over last year.

Under the 1970 Illinois Constitution, there is no legal debt limit for home rule municipalities except as set by the General Assembly. If the Village were subject to such a limitation, outstanding indebtedness could not exceed 8.625% of equalized assessed valuation. Currently, the Village's direct bonded debt of \$19,715,000 represents 4.89% of the Village's equalized assessed valuation of \$403,430,435.

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

Village of Round Lake Beach
Debt Outstanding as of April 30, 2012 and April 30, 2011

	Governmental Activities		Business-type Activities		Total Government	
	2012	2011	2012	2011	2012	2011
General Obligation Bonds	\$ 18,665,000	\$ 19,900,000	\$ -	\$ -	\$ 18,665,000	\$ 15,275,000
TIF Revenue Bonds	1,050,000	1,545,000	-	-	1,050,000	3,375,000
Incremental sales tax revenue notes payable	3,233,309	3,547,274	-	-	3,233,309	4,149,435
Deferred refunding costs	(169,607)	-	-	-	-	-
Unamortized premium on debt issuance	223,003	19,841	-	-	223,003	-
Leases payable	250,910	292,459	-	-	250,910	199,881
Compensated absences	264,557	276,337	65,812	65,231	330,369	345,656
Net pension obligations	80,943	56,151	23,204	14,716	104,147	296,714
Net other postemployment obligation benefits	594,937	435,938	151,095	123,515	746,032	193,343
Illinois EPA loan payable	-	-	1,934,373	2,052,767	1,934,373	2,282,214
Claims and judgments	111,048	265,229	169,329	117,159	280,377	382,388
Total Outstanding Debt	\$ 24,304,100	\$ 26,338,229	\$ 2,343,813	\$ 2,373,388	\$ 26,647,913	\$ 28,711,617

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

Economic Factors and Next Year's Budget

Major revenue streams such as sales tax have seen increases year to year which is expected to continue, but at a slow pace. The impact of decreased assessed valuations and foreclosure rates on property has continued. The Village has implemented a number of operational and staffing efficiencies in the previous 2 years and Operating departments continue to search for streamlining of service delivery and operational efficiencies.

The balanced budget for Fiscal Year 2013 includes a total in all funds of \$24,933,076 in revenues and expenses. This is a 26.19% decrease over the Fiscal Year 2012 budget, primarily due to a 49.97% decrease in Capital Project Funds, funded through reserves (fund balance), grant monies, and bond proceeds. Despite the difficult economy, the Village is committed to moving forward with planned and necessary capital improvements. Nearly \$5.15 million will be invested in capital projects, including lift station and well upgrades, water main and street improvements and reconstruction, and sidewalks.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

Village of Round Lake Beach, Illinois

Statement of Net Assets

April 30, 2012

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$ 12,588,291	\$ 3,275,917	\$ 15,864,208
Receivables			
Property taxes	2,439,407	-	2,439,407
Accounts	-	1,577,699	1,577,699
Other	529,800	75,871	605,671
Prepaid items	101,825	77,118	178,943
Internal balances	60	(60)	-
Due from other governments	2,726,882	-	2,726,882
Property held for resale	301,716	-	301,716
Deferred charges - bond issuance costs	423,513	-	423,513
Capital assets			
Capital assets not being depreciated	44,564,457	307,700	44,872,157
Capital assets (net of accumulated depreciation)	67,514,962	16,450,809	83,965,771
Total assets	131,190,913	21,765,054	152,955,967
Liabilities			
Accounts payable	2,048,216	189,796	2,238,012
Sewer fees payable to Lake County	-	417,252	417,252
Accrued payroll	385,649	45,028	430,677
Accrued interest payable	2,021,829	-	2,021,829
Other payables and accrued liabilities	558,117	1,115	559,232
Line of credit payable	236,846	-	236,846
Refundable deposits	-	727,730	727,730
Unearned revenue	2,439,803	85,000	2,524,803
Long-term obligations			
Due within one year	2,472,477	270,297	2,742,774
Due in more than one year	21,831,623	2,073,516	23,905,139
Total liabilities	31,994,560	3,809,734	35,804,294
Net Assets			
Invested in capital assets, net of related debt	90,189,899	14,824,136	105,014,035
Restricted	1,842,551	-	1,842,551
Unrestricted	7,163,903	3,131,184	10,295,087
Total net assets	\$ 99,196,353	\$ 17,955,320	\$ 117,151,673

See Notes to Financial Statements.

Village of Round Lake Beach, Illinois

Statement of Activities
Year Ended April 30, 2012

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 1,432,078	\$ 733,524	\$ 47,802	\$ -
Public safety	6,774,890	748,792	4,830	-
Economic development	2,960,370	131,685	86,000	-
Public works	4,089,001	66,157	930,836	-
Interest	1,091,552	-	-	-
Total governmental activities	16,347,891	1,680,158	1,069,468	-
Business-type activities				
Water and sewer	6,572,445	6,432,494	-	-
Total	\$ 22,920,336	\$ 8,112,652	\$ 1,069,468	\$ -

General revenues and transfers

Taxes

 Property

 Local sales tax

 Telecommunications

 Utility

 Amusement

Intergovernmental

 Income tax

 Sales tax

 Use tax

 Personal property replacement tax

 Investment income

Miscellaneous

Transfers

 Total general revenues and transfers

Change in net assets

Net assets - beginning

Net assets - ending

See Notes to Financial Statements.

Net (Expense), Revenue and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (650,752)	\$ -	\$ (650,752)
(6,021,268)	-	(6,021,268)
(2,742,685)	-	(2,742,685)
(3,092,008)	-	(3,092,008)
(1,091,552)	-	(1,091,552)
<u>(13,598,265)</u>	<u>-</u>	<u>(13,598,265)</u>
-	(139,951)	(139,951)
<u>(13,598,265)</u>	<u>(139,951)</u>	<u>(13,738,216)</u>
4,900,950	-	4,900,950
1,200,661	-	1,200,661
723,470	-	723,470
848,918	-	848,918
330,856	-	330,856
2,387,157	-	2,387,157
4,264,906	-	4,264,906
411,048	-	411,048
13,764	-	13,764
42,046	457	42,503
61,191	17,333	78,524
(2,317,091)	2,317,091	-
<u>12,867,876</u>	<u>2,334,881</u>	<u>15,202,757</u>
(730,389)	2,194,930	1,464,541
<u>99,926,742</u>	<u>15,760,390</u>	<u>115,687,132</u>
<u>\$ 99,196,353</u>	<u>\$ 17,955,320</u>	<u>\$ 117,151,673</u>

Village of Round Lake Beach, Illinois

Balance Sheet - Governmental Funds
April 30, 2012

	General Fund	TIF #1 Debt Service Fund	G.O. Bond Debt Service Fund
Assets			
Cash and investments	\$ 5,340,851	\$ 1,088,796	\$ 2,794,657
Receivables			
Property taxes	2,439,407	-	-
Other	529,800	-	-
Due from other governments	2,493,031	179,152	-
Advances to other funds	60	-	-
Prepaid items	101,825	-	-
Property held for resale	301,716	-	-
Total assets	<u>\$ 11,206,690</u>	<u>\$ 1,267,948</u>	<u>\$ 2,794,657</u>
Liabilities			
Accounts payable	\$ 365,827	\$ 451	\$ -
Accrued payroll	385,649	-	-
Advances from other funds	-	-	-
Claims payable	13,239	-	-
Deposits payable	23,982	-	-
Retention payable	-	-	-
Unearned revenue	2,906,187	-	-
Line of credit payable	236,846	-	-
Total liabilities	<u>3,931,730</u>	<u>451</u>	<u>-</u>
Fund Balances			
Non-spendable	101,825	-	-
Restricted	77,936	-	-
Assigned	302,980	1,267,497	2,794,657
Unassigned	6,792,219	-	-
Total fund balances	<u>7,274,960</u>	<u>1,267,497</u>	<u>2,794,657</u>
Total liabilities and fund balances	<u>\$ 11,206,690</u>	<u>\$ 1,267,948</u>	<u>\$ 2,794,657</u>

See Notes to Financial Statements.

TIF #1 Capital Projects Fund	Bond Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 44,624	\$ 1,653,510	\$ 1,665,853	\$ 12,588,291
-	-	-	2,439,407
-	-	-	529,800
-	-	54,699	2,726,882
-	-	750,000	750,060
-	-	-	101,825
-	-	-	301,716
<u>\$ 44,624</u>	<u>\$ 1,653,510</u>	<u>\$ 2,470,552</u>	<u>\$ 19,437,981</u>
\$ 809,979	\$ 370,400	\$ 488,320	\$ 2,034,977
-	-	-	385,649
750,000	-	-	750,000
-	-	-	13,239
-	-	1,999	25,981
354,405	147,166	30,565	532,136
-	-	-	2,906,187
-	-	-	236,846
<u>1,914,384</u>	<u>517,566</u>	<u>520,884</u>	<u>6,885,015</u>
-	-	-	101,825
-	1,133,983	477,979	1,689,898
-	1,961	1,471,689	5,838,784
(1,869,760)	-	-	4,922,459
<u>(1,869,760)</u>	<u>1,135,944</u>	<u>1,949,668</u>	<u>12,552,966</u>
<u>\$ 44,624</u>	<u>\$ 1,653,510</u>	<u>\$ 2,470,552</u>	<u>\$ 19,437,981</u>

Village of Round Lake Beach, Illinois

**Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Assets**

April 30, 2012

Total fund balances-governmental funds	\$ 12,552,966
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Revenues in the Statement of Activities that do not provide current financial resources are deferred in the funds. These revenues include telecommunications taxes, home rule sales taxes, sales taxes and use taxes.	466,384
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	112,079,419
Some assets and liabilities reported in the Statement of Net Assets do not provide current financial resources or require the use of current financial resources and, therefore, are not reported as assets or liabilities in governmental funds. These amounts consist of:	
General obligation bonds payable	(18,665,000)
Net deferred bond issuance costs	423,513
Unamortized premium	(223,003)
Deferred refunding costs	169,607
TIF revenue bonds	(1,050,000)
Incremental sales tax revenue notes payable	(3,233,309)
Leases payable	(250,910)
Compensated absences	(264,557)
Net other postemployment benefits obligation	(594,937)
Net pension obligation	(41,504)
Net IMRF obligation	(39,439)
Claims and judgments	(111,048)
Accrued interest payable	(2,021,829)
	<hr/>
Net assets of governmental activities	<u>\$ 99,196,353</u>

See Notes to Financial Statements.

Village of Round Lake Beach, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances –
 Governmental Funds
 Year Ended April 30, 2012

	General Fund	TIF #2 Special Revenue Fund	TIF #1 Debt Service Fund	G.O. Bond Debt Service Fund
Revenues				
Taxes	\$ 3,969,131	\$ 2,136,982	\$ 119,446	\$ 1,415,000
Intergovernmental	5,706,219	-	1,370,647	63,442
Licenses and permits	533,328	-	-	-
Fines	668,623	-	-	-
Interest	17,189	271	20,068	509
Charges for services	273,181	-	-	-
Rental income	39,000	-	-	-
Miscellaneous	75,576	-	-	-
Total revenues	11,282,247	2,137,253	1,510,161	1,478,951
Expenditures				
Current				
General government	1,168,489	-	-	-
Public safety	6,408,707	-	-	-
Economic development	793,994	2,137,842	-	-
Public works	1,425,627	-	-	-
Debt service				
Principal	269,074	-	495,000	1,220,000
Interest and fiscal services	-	-	74,028	807,497
Bond issue costs	-	-	-	104,041
Capital outlay	-	-	-	-
Total expenditures	10,065,891	2,137,842	569,028	2,131,538
Excess (deficiency) of revenues over expenditures	1,216,356	(589)	941,133	(652,587)
Other financing sources (uses)				
Transfers in	-	-	-	547,058
Transfers out	(196,583)	-	(1,847,232)	-
Proceeds from capital leases	-	-	-	-
Proceeds from bond issuance	-	-	-	3,815,000
Bond premium	-	-	-	217,776
Transfer to escrow	-	-	-	(3,921,176)
Total other financing sources (uses)	(196,583)	-	(1,847,232)	658,658
Net change in fund balances	1,019,773	(589)	(906,099)	6,071
Fund balances - beginning, as restated	6,255,187	589	2,173,596	2,788,586
Fund balances - ending	\$ 7,274,960	\$ -	\$ 1,267,497	\$ 2,794,657

See Notes to Financial Statements.

TIF #1 Capital Projects Fund	Bond Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 369,980	\$ 8,010,539
-	86,000	917,394	8,143,702
-	-	-	533,328
-	-	-	668,623
1,095	1,961	953	42,046
-	-	-	273,181
-	-	85,620	124,620
-	-	5,483	81,059
1,095	87,961	1,379,430	17,877,098
-	-	149,038	1,317,527
-	-	-	6,408,707
4,167	-	11,093	2,947,096
-	-	1,358	1,426,985
-	-	161,561	2,145,635
-	-	10,324	891,849
-	-	-	104,041
5,200,549	2,417,193	1,104,324	8,722,066
5,204,716	2,417,193	1,437,698	23,963,906
(5,203,621)	(2,329,232)	(58,268)	(6,086,808)
1,847,232	-	1,095,578	3,489,868
(2,518,692)	-	(350,475)	(4,912,982)
-	-	120,012	120,012
-	-	-	3,815,000
-	-	-	217,776
-	-	-	(3,921,176)
(671,460)	-	865,115	(1,191,502)
(5,875,081)	(2,329,232)	806,847	(7,278,310)
4,005,321	3,465,176	1,142,821	19,831,276
\$ (1,869,760)	\$ 1,135,944	\$ 1,949,668	\$ 12,552,966

Village of Round Lake Beach, Illinois

**Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended April 30, 2012**

Net change in fund balances-total governmental funds		\$ (7,278,310)
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Governmental funds report purchases of capital assets as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Additionally, the effect of miscellaneous transactions involving capital assets changes net assets as follows:</p>		
Capital outlay	\$ 7,550,720	
Depreciation expense	(1,950,688)	
Transfer of capital assets to enterprise fund	(893,977)	
Book value of capital assets disposed	(513)	
Capital outlay in excess of depreciation net adjustment	4,705,542	
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. These revenues include telecommunications taxes, home rule sales taxes, sales taxes and use taxes.</p>		
		(3,043)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. These transactions are as follows:</p>		
Debt issued:		
Capital lease financing		(120,012)
Issuance of general obligation bonds		(3,815,000)
Debt issuance costs paid		104,041
Premiums on debt issued		(217,776)
Principal repayments and retirements		
Payment to escrow agent for refunding		3,921,176
Principal repayments		2,145,635
Gain on debt reduction		44,891
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These amounts consist of:</p>		
Amortization of deferred issuance costs		(61,546)
Amortization of bond premium		14,614
Amortization of deferred refunding costs		(11,303)
Net decrease in compensated absences		11,780
Net decrease in pension obligation		(11,515)
Net increase in other postemployment benefits		(158,999)
Net increase in IMRF obligations		(13,277)
Net decrease in claims and judgments		154,181
Increase in accrued interest on debt		(141,468)
		(730,389)
Change in net assets of governmental activities		\$ (730,389)

See Notes to Financial Statements.

Village of Round Lake Beach, Illinois

Statement of Net Assets - Proprietary Fund - Waterworks and Sewerage Fund
 April 30, 2012

Assets	
Current	
Cash and cash equivalents	\$ 3,275,917
Receivables	
Accounts - billed	304,284
Accounts - unbilled	1,273,415
Other	75,871
Prepaid items	77,118
Total current assets	<u>5,006,605</u>
Noncurrent assets	
Land	79,258
Construction in progress	228,442
Wells and pumping stations	1,124,667
Sewer and water system	14,861,101
Buildings	280,579
Other equipment	184,462
Total noncurrent assets	<u>16,758,509</u>
Total assets	<u>21,765,114</u>
Liabilities	
Current	
Accounts payable	189,796
Sewer fees payable to Lake County	417,252
Accrued payroll	45,028
Advances from other funds	60
Unearned revenue	85,000
Refundable deposits	727,730
Retention payable	1,115
Compensated absences payable	65,812
Claims payable	82,419
Current portion of loan payable	122,066
Total current liabilities	<u>1,736,278</u>
Noncurrent	
Loan payable	1,812,307
Claims and judgments	86,910
Other postemployment obligation	151,095
IMRF pension obligation	23,204
Total noncurrent liabilities	<u>2,073,516</u>
Total liabilities	<u>3,809,794</u>
Net Assets	
Invested in capital assets, net of related debt	14,824,136
Unrestricted	3,131,184
Total net assets	<u>\$ 17,955,320</u>
See Notes to Financial Statements.	

Village of Round Lake Beach, Illinois

Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Fund
- Waterworks and Sewerage Fund
Year Ended April 30, 2012

Operating revenues	
Charges for services	\$ 6,126,819
Tap on fees	305,675
Total operating revenues	<u>6,432,494</u>
Operating expenses excluding depreciation	
Administration	903,896
Operations	4,976,290
Total operating expenses excluding depreciation	<u>5,880,186</u>
Operating income before depreciation	552,308
Depreciation	<u>641,679</u>
Operating loss	<u>(89,371)</u>
Nonoperating revenues (expenses)	
Interest income	457
Interest expense	(50,580)
Miscellaneous revenue	17,333
Total nonoperating revenues (expenses)	<u>(32,790)</u>
Loss before contributions and transfers	<u>(122,161)</u>
Capital contributions	893,977
Transfers	1,423,114
	<u>2,317,091</u>
Change in net assets	2,194,930
Net assets - beginning	<u>15,760,390</u>
Net assets - ending	<u>\$ 17,955,320</u>

See Notes to Financial Statements.

Village of Round Lake Beach, Illinois

Statement of Cash Flows – Proprietary Fund
Waterworks and Sewerage Fund
Year Ended April 30, 2012

Cash flows from operating activities	
Receipts from customers and users	\$ 6,388,177
Payments to suppliers	(5,445,536)
Payments to employees	(888,710)
Net cash flows from operating activities	<u>53,931</u>
Cash flows from noncapital financing activities	
Transfers from other funds	<u>1,423,114</u>
Cash flows from capital and related financing activities	
Capital assets purchased	(1,778,111)
Repayments on loan payable	(118,394)
Interest paid on capital debt	(50,580)
Net cash flows from capital and related financing activities	<u>(1,947,085)</u>
Cash flows from investing activities	
Interest on investments	<u>6,328</u>
Net cash flows from investing activities	<u>6,328</u>
Net decrease in cash and equivalents	(463,712)
Cash and equivalents - beginning	<u>3,739,629</u>
Cash and equivalents - ending	<u>\$ 3,275,917</u>

(Continued)

See Notes to Financial Statements.

Village of Round Lake Beach, Illinois

Statement of Cash Flows – Proprietary Fund - Continued

Waterworks and Sewerage Fund

Year Ended April 30, 2012

Reconciliation of operating loss to net cash flows from operating activities	
Operating loss	<u>\$ (89,371)</u>
Adjustments to reconcile operating loss to net cash flows from operating activities	
Depreciation	641,679
Miscellaneous revenue	17,333
Changes in assets and liabilities	
Accounts receivable and other receivables	(86,650)
Prepaid items	(70,134)
Accounts payable	(383,146)
Sewer fees payable to Lake County	5,735
Claims payable	52,170
Refundable deposits	(9,211)
Retention payable	(91,861)
Unearned revenue	25,000
Accrued payroll	14,166
Advances from other funds	60
Compensated absences payable	581
Other postemployment obligation payable	27,580
Total adjustments	<u>143,302</u>
Net cash flows from operating activities	<u>\$ 53,931</u>

Noncash capital and related financing activities:

The Waterworks and Sewerage fund received a capital contribution of \$893,977 from governmental activities.

See Notes to Financial Statements.

Village of Round Lake Beach, Illinois

Statement of Fiduciary Net Assets - Police Pension Fund
April 30, 2012

Assets

Cash and cash equivalents	\$ 907,103
Interest receivable	183
Prepaid expenses	<u>3,324</u>
	<u>910,610</u>
Investments, at fair value	
U.S. government obligations	45,680
Mutual funds - debt	7,064,994
Mutual funds - equity	<u>6,060,062</u>
	<u>13,170,736</u>
Total assets	14,081,346

Liabilities

Accrued expenses	<u>1,700</u>
------------------	--------------

Net Assets

Held in trust for pension benefits	<u>\$ 14,079,646</u>
------------------------------------	----------------------

See Notes to Financial Statements.

Village of Round Lake Beach, Illinois

Statement of Changes in Fiduciary Net Assets - Police Pension Fund
Year Ended April 30, 2012

Additions	
Contributions	
Employer	\$ 963,253
Employee	296,975
	<u>1,260,228</u>
Investment income	
Net appreciation in fair value of investments	416,743
Interest income	380,430
Less investment expenses	(11,719)
	<u>785,454</u>
Total additions	<u>2,045,682</u>
Deductions	
Administration	45,467
Pension benefits and refunds	850,985
Total deductions	<u>896,452</u>
Change in net assets	1,149,230
Net assets - beginning	<u>12,930,416</u>
Net assets - ending	<u>\$ 14,079,646</u>

See Notes to Financial Statements.

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

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

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

Reporting Entity

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

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

Government-wide and Fund Financial Statements

Government-wide Financial Statements: The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary 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. The Statement of Net Assets presents the Village's non-fiduciary assets and liabilities with the difference reported as net assets.

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Financial Statements: Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The fund financial statements provide information about the Village's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The Village has the following major governmental funds- General Fund, TIF #2 Special Revenue Fund, TIF #1 Debt Service Fund, G.O. Bond Debt Service Fund, TIF #1 Capital Projects Fund and the Bond Capital Projects Fund. All remaining governmental funds are aggregated and reported as nonmajor governmental funds. The Village has the following major enterprise fund – Waterworks and Sewerage Fund. There are no other enterprise funds.

The Village administers the following major governmental funds:

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

TIF #2 Special Revenue Fund – This 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.

TIF #1 Debt Service Fund – This 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.

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

TIF #1 Capital Projects Fund – This fund accounts for the revenues and expenditures relating to the capital projects within the boundaries of the Tax Increment Redevelopment Project Area No.'s 1 and 2.

Bond Capital Projects Fund – This fund accounts for the revenues and expenditures relating to the capital projects financed by the issuance of bonds.

The Village reports the following major proprietary fund:

Waterworks and Sewerage Fund – This fund accounts for the provision of portable water and sanitary sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including but not limited to: administration, operations, maintenance, financing and related debt service, and billing and collection.

Additionally, the Village reports the following fiduciary fund type:

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

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

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

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

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.

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 Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Cash, Cash Equivalents and Investments (Continued)

Investments consist of certificates of deposit, treasury obligations, repurchase agreements, insurance contracts and mutual funds. Investments in treasury and agency obligations are carried at fair value. All other investments are reported at amortized cost.

Receivables

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

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

Capital Assets

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

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

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

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

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Deferred and Unearned Revenues

The Village reports deferred and unearned revenues in 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 monies 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.

Compensated Absences

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

Deposits 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.

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 deferred refunding losses and issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium, discount and deferred refunding loss. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. All amortization is computed using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Balances / Net Assets

Effective May 1, 2011, the Village adopted the provision of Governmental Accounting Standards Board Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the government funds. In addition, GASB 54 modified certain fund type definitions. Pursuant to this guidance, the Village was required to report fund balances of the Civic Center Fund, previously reported as major special revenue fund, as part of the General Fund. As a result, the Village restated its beginning fund balance in the General Fund by (\$45,724) in order to properly reflect the reclassification of the fund previously reported as a Special Revenue Fund.

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

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

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

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

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

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

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

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Balances / Net Assets (Continued)

As of April 30, 2012, the Village had the following fund balance classifications for various purposes as follows:

	General Fund	TIF #1 Debt Service Fund	G.O. Bond Debt Service Fund	TIF #1 Capital Projects Fund	Bond Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:							
Prepaid Items	\$ 101,825	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 101,825
Restricted:							
Public Safety	77,936	-	-	-	-	-	77,936
Capital Projects	-	-	-	-	1,133,983	477,979	1,611,962
Total Restricted	77,936	-	-	-	1,133,983	477,979	1,689,898
Assigned:							
Property Held for Resale	301,716	-	-	-	-	-	301,716
Metra	1,264	-	-	-	-	-	1,264
Debt Service	-	1,267,497	2,794,657	-	-	-	4,062,154
Capital Projects	-	-	-	-	1,961	1,471,689	1,473,650
Total Assigned	302,980	1,267,497	2,794,657	-	1,961	1,471,689	5,838,784
Unassigned	6,792,219	-	-	(1,869,760)	-	-	4,922,459
Total Fund Balances	\$ 7,274,960	\$ 1,267,497	\$ 2,794,657	\$ (1,869,760)	\$ 1,135,944	\$ 1,949,668	\$ 12,552,966

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

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets.

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

Unrestricted net assets consist of net assets that do not meet the criteria of the two preceding categories.

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Interfund Transactions

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

Uses of Estimates

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

Note 2. Deposits and Investments

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

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

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

- Federal Housing Authority bonds
- Government National Mortgage Association (GNMA)
- Public Housing Board bonds (HUD)
- Farmers Home Administration bonds
- General Service Administration bonds (GSA)
- Maritime Administration bonds
- Small Business Administration (SBA)
- Tennessee Valley Authority (TVA)
- Washington Metropolitan Area Transit Authority
- Federal National Mortgage Associate bonds (Fannie Mae)

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 2. Deposits and Investments (Continued)

- Federal Home Loan Bank bonds (FHLB)
- Student Loan Marketing Association (Sallie Mae)
- Common stocks through a mutual fund or an investment advisor

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

Deposits

To guard against custodial risk for deposits with financial institutions, the Village's and Police Pension Fund's investment policies require that deposits with financial institutions in excess of the Federal Deposit Insurance Corporation (FDIC) insurance be collateralized with collateral in an amount of 110% of the uninsured deposits.

At year-end, all balances of bank deposits for the Village and Pension Fund are covered by federal depository insurance or by collateral held by the Village, or its agent, in the Village's name.

Investments

As of April 30, 2012, the Village has the following investments and maturities.

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less Than 1	1 - 5
Repurchase Agreement	\$ 717,000	\$ -	\$ 717,000

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

	Village
Total investments per above	\$ 717,000
Money market funds	582,035
Illinois funds	7,413,514
Deposits	7,150,319
Cash on hand	1,340
Total deposits and investments per the entity-wide statement of net assets	<u>\$ 15,864,208</u>

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 2. Deposits and Investments (Continued)

Investments (Continued)

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

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 financial institution has established a collateral account in the Village's name held by the Trustee, Amalgamated Bank of Chicago. 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.

As of April 30, 2012, the Police Pension Fund has the following debt investments and maturities.

Investment Type	Fair Value	Investment Maturities (in Years)			Greater than 10
		Less Than 1	1 - 5	6 - 10	
Governmental National Mortgage	\$ 6,120	\$ -	\$ 467	\$ 1,731	\$ 3,922
Federal Home Loan Mortgage	39,560	-	-	12,585	26,975
Mutual Funds - debt securities	7,064,994	7,064,994	-	-	-
Total investments	<u>\$ 7,110,674</u>	<u>\$ 7,064,994</u>	<u>\$ 467</u>	<u>\$ 14,316</u>	<u>\$ 30,897</u>

Additionally, the Police Pension Fund has equity mutual fund investments totaling \$6,060,062.

Interest Rate Risk:

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

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 2. Deposits and Investments (Continued)

Investments (Continued)

Credit Risk.

Credit risk is the risk that an insurer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The Village's investment policy does not impose further limits on investment choices. The Pension Fund limits its exposure to credit risk by primarily investing in securities issued by the U.S. Government and/or its agencies that are implicitly guaranteed by the U.S. Government. As of April 30, 2012, JPMorgan Prime Money Fund and the Money Market Fund - Goldman Financial Square Treasury Obligation were rated AA+ by Standard & Poor's. The Pension Fund's investments in Federal Home Loan Mortgage were rated AA+ Standard & Poor's Investor Services. The Pension Fund's investments in Short-term investment grade admirals, Intermediate-term investment grade admirals and Total bond market index admirals are not rated.

Concentration of Credit Risk:

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

At April 30, 2012 the Pension Fund had over 5% of net plan assets invested as follows:

Total Stock Market Index Fund	\$ 4,349,219	30.89%
Total International Stock Index Fund	1,710,843	12.15%
Short-Term Investment Grade Fund	1,259,528	8.95%
Intermediate-Term Investment Grade Fund	2,202,753	15.64%
Total Bond Market Index Fund	3,602,713	25.59%

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, 2012, the Village and Pension Fund investments were not exposed to custodial credit risk.

Note 3. Receivables

Property Taxes

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

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 3. Receivables (Continued)

Property Taxes (Continued)

The 2011 property tax levy is recorded as a receivable and deferred revenue because it was levied to finance FY 2013 operations. Based upon collection histories, at April 30, 2012 the Village does not deem it necessary to provide an allowance for uncollectible property taxes.

Utility Accounts and Other Receivables

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

	Governmental Activities	Business-Type Activities	Fiduciary Fund
Water fees	\$ -	\$ 1,062,479	\$ -
Sewer fees	-	515,220	-
Accrued interest	1,616	-	183
Amusement tax	17,260	-	-
Utility tax	251,085	-	-
Parking Ticket, net allowance	96,411	-	-
Miscellaneous	163,428	75,871	-
Total other receivables	<u>\$ 529,800</u>	<u>\$ 1,653,570</u>	<u>\$ 183</u>

Due from Other Governments

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

	Governmental Activities
State of Illinois	\$ 2,650,287
Lake County	<u>76,595</u>
Total due from other governments	<u>\$ 2,726,882</u>

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 4. Capital Assets

Capital asset activity for the year ended April 30, 2012 was as follows:

Governmental Activities

A summary of changes in capital assets is as follows:

	Balance May 1	Additions	Deletions and Transfers	Balance April 30
Capital assets not being depreciated:				
Land and rights of way	\$ 38,461,425	\$ 24,203	\$ 513	\$ 38,485,115
Construction in progress	456,852	7,389,753	1,767,263	6,079,342
Total capital assets not being depreciated	<u>38,918,277</u>	<u>7,413,956</u>	<u>1,767,776</u>	<u>44,564,457</u>
Capital assets being depreciated:				
Buildings	11,787,120	-	-	11,787,120
Equipment, furniture and vehicles	3,186,218	120,012	99,589	3,206,641
Land improvements	6,838,532	16,752	-	6,855,284
Infrastructure	70,793,517	873,286	-	71,666,803
	<u>92,605,387</u>	<u>1,010,050</u>	<u>99,589</u>	<u>93,515,848</u>
Less accumulated depreciation for:				
Buildings	2,172,772	296,177	-	2,468,949
Equipment, furniture and vehicles	2,209,314	298,582	99,589	2,408,307
Land improvements	706,922	232,765	-	939,687
Infrastructure	19,060,779	1,123,164	-	20,183,943
	<u>24,149,787</u>	<u>1,950,688</u>	<u>99,589</u>	<u>26,000,886</u>
Total capital assets being depreciated, net	<u>68,455,600</u>	<u>(940,638)</u>	<u>-</u>	<u>67,514,962</u>
Governmental activities capital assets, net	<u>\$ 107,373,877</u>	<u>\$ 6,473,318</u>	<u>\$ 1,767,776</u>	<u>\$ 112,079,419</u>

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 4. Capital Assets (Continued)

Business-type Activities

	Balance May 1	Additions	Deletions and Transfers	Balance April 30
Capital assets not being depreciated:				
Land	\$ 79,258	\$ -	\$ -	\$ 79,258
Construction in progress	1,345,502	1,778,111	2,895,171	228,442
Total capital assets not being depreciated	1,424,760	1,778,111	2,895,171	307,700
Capital assets being depreciated:				
Buildings	522,257	-	-	522,257
Wells and pumping stations	2,648,987	193,648	-	2,842,635
Sewer and water system	16,275,102	3,595,500	-	19,870,602
Equipment	763,900	-	-	763,900
	20,210,246	3,789,148	-	23,999,394
Less accumulated depreciation for:				
Buildings	228,622	13,056	-	241,678
Wells and pumping stations	1,633,033	84,935	-	1,717,968
Sewer and water system	4,519,795	489,706	-	5,009,501
Other equipment	525,456	53,982	-	579,438
	6,906,906	641,679	-	7,548,585
Total capital assets being depreciated, net	13,303,340	3,147,469	-	16,450,809
Business-type activities capital assets, net	\$ 14,728,100	\$ 4,925,580	\$ 2,895,171	\$ 16,758,509

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 4. Capital Assets (Continued)

Depreciation Expense

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

Governmental activities	
General government	\$ 238,603
Public safety	164,106
Public works	<u>1,547,979</u>
Total depreciation expense - governmental activities	<u>\$ 1,950,688</u>
Business-type activities	
Water	<u>\$ 641,679</u>

Construction Commitments

The value of construction contracts signed, where the work has not yet been performed at April 30, 2012, is as follows:

General Capital Improvements Fund	<u>\$ 384,514</u>
TIF #1 Capital Projects Fund	<u>\$ 560,424</u>
Bond Capital Projects Fund	<u>\$ 1,098,385</u>

Note 5. Interfund Advances (Internal Balances)

As of April 30, 2012, the Village reported the following interfund advances:

	<u>Advance From</u>	<u>Advance To</u>
General Fund	\$ 60	\$ -
Waterworks and Sewerage Fund	-	60
Nonmajor Governmental Funds	750,000	-
TIF #1 Capital Projects Fund	-	<u>750,000</u>
Total interfund advances	<u>\$ 750,060</u>	<u>\$ 750,060</u>

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 6. Interfund Transfers

The purpose of the Village's interfund transfers is to transfer excess property and sales tax revenues from the TIF #1 Debt Service Fund to the TIF #1 Capital Projects Fund for the purpose of financing capital expenditures. Additionally, the MFT Fund transferred amounts to the General Obligation Debt Fund for principal and interest on the Series 2009 bonds and the General Fund transferred amounts to the General Obligation Debt Fund for the Series 2010 bonds. The TIF #1 Capital Projects Fund transferred money to the Waterworks and Sewerage Fund and the General Improvement Capital Projects Fund to reimburse TIF expenditures paid from those funds.

Fund	Transfers In	Transfers Out
TIF 1 Capital Projects	\$ 1,847,232	\$ -
TIF 1 Debt Service	-	1,847,232
Waterworks and Sewerage	1,423,114	-
Nonmajor governmental	1,095,578	-
TIF #1 Capital Projects	-	2,518,692
Bond Debt Service	547,058	-
General	-	196,583
Nonmajor governmental	-	350,475
Total all funds	<u>\$ 4,912,982</u>	<u>\$ 4,912,982</u>

Note 7. Pledged Revenues

The Village has pledged a portion of future sales tax revenues to reimburse \$200,000 in expenses to finance the construction of retention facilities, incurred in the construction of a new retail center. The Village agreed to rebate to the Developer 0.5% of the Home Rule Sales Tax generated by sales and service on the property for a period of five years, with payment to be made at the end of each fourth quarter. The Village's obligation shall terminate upon payment of \$200,000 or on December 31, 2013, whichever occurs first. As of April 30, 2012, no payments have yet been made to the Developer under this agreement.

Note 8. Short-Term Debt

The Village has a revolving line of credit for \$1,000,000 for the purpose of economic development. Subject to approval by the lender's Board of Directors, 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, 2012, there was an outstanding balance of \$236,846. Short-term debt activity during the year is as follows:

	Beginning Balance	Borrowing	Payments	Ending Balance
Line of credit	\$ 236,846	\$ -	\$ -	\$ 236,846

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 9. Long-Term Debt

Changes in Long-term Liabilities

Long-term liability activity for the year ended April 30, 2012 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds					
Series 2011	\$ -	\$ 3,815,000	\$ 55,000	\$ 3,760,000	\$ 335,000
Series 2010	3,000,000	-	120,000	2,880,000	120,000
Series 2009	3,225,000	-	205,000	3,020,000	210,000
Series 2006	3,200,000	-	155,000	3,045,000	165,000
Series 2004A	2,710,000	-	165,000	2,545,000	170,000
Series 2004	3,640,000	-	225,000	3,415,000	230,000
Series 2001	4,125,000	-	4,125,000	-	-
Total general obligation bonds payable	19,900,000	3,815,000	5,050,000	18,665,000	1,230,000
TIF Revenue Bonds Series 2003	1,545,000	-	495,000	1,050,000	515,000
Incremental sales tax revenue notes payable					
Series 1994***	3,547,274	-	313,965	3,233,309	334,373
Deferred refunding costs	-	(180,910)	(11,303)	(169,607)	(17,604)
Unamortized premium on issued debt	19,841	217,776	14,614	223,003	22,199
Capital lease payable	292,459	120,012	161,561	250,910	111,766
Compensated absences*	276,337	374,452	386,232	264,557	264,557
IMRF pension obligation*	26,162	13,277	-	39,439	-
Net pension obligation*	29,989	11,515	-	41,504	-
Net other postemployment obligation benefits*	435,938	158,999	-	594,937	-
Claims and judgments - IBNR	265,229	117,514	271,695	111,048	12,186
Total governmental activities	\$ 26,338,229	\$ 4,647,635	\$ 6,681,764	\$ 24,304,100	\$ 2,472,477

*These liabilities are liquidated primarily by the General Fund

***The Village paid \$269,074 towards principal reduction and the remaining \$44,891 reduced accrued interest and is recorded as revenue since the \$1,750,000 note deficit maximum has been reached.

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 9. Long-Term Debt (Continued)

Changes in Long-term Liabilities (Continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities					
Illinois EPA loan payable	\$ 2,052,767	\$ -	\$ 118,394	\$ 1,934,373	\$ 122,066
Compensated absences	65,231	96,662	96,081	65,812	65,812
IMRF pension obligation	14,716	8,488	-	23,204	-
Net other postemployment obligation benefits	123,515	27,580	-	151,095	-
Claims and judgements	117,159	203,710	151,540	169,329	82,419
	<u>\$ 2,373,388</u>	<u>\$ 336,440</u>	<u>\$ 366,015</u>	<u>\$ 2,343,813</u>	<u>\$ 270,297</u>

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

General Obligation Bonds Payable

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

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

Year Ending April 30,	Principal	Interest	Total
2013	\$ 1,230,000	\$ 757,736	\$ 1,987,736
2014	1,265,000	722,220	1,987,220
2015	1,300,000	682,746	1,982,746
2016	1,340,000	638,889	1,978,889
2017	1,380,000	591,351	1,971,351
2018-2022	7,730,000	2,091,736	9,821,736
2023-2027	3,675,000	600,865	4,275,865
2028-2031	745,000	113,525	858,525
	<u>\$ 18,665,000</u>	<u>\$ 6,199,068</u>	<u>\$ 24,864,068</u>

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 9. Long-Term Debt (Continued)

General Obligation Bonds Payable (Continued)

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

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

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

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

The 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 of 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 of 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.

Refunding Transaction

In September 2011, the Village issued \$3,815,000 Series 2011 General Obligation Bonds for the purpose of advance refunding bonds originally scheduled to mature in the years 2013 through 2022 of the Issuer's outstanding General Obligation Bonds, Series 2001.

The net proceeds from the 2011 bonds of \$3,921,176 were placed in an escrow account and were invested primarily in United States Treasury Securities – State and Local Government Series (the "SLGS") until the Series 2001 bonds were redeemed.

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 9. Long-Term Debt (Continued)

Refunding Transaction (Continued)

On January 1, 2012, the escrow account balance was used to redeem the outstanding Series 2001 bonds. At that time the liability for the Series 2001 bonds was fully and legally liquidated. This has exhausted all funds in the escrow account. Beginning December 15, 2012, the Village will assume all remaining principal and interest payments remaining on the Series 2011 bonds through their final maturity on December 15, 2022.

The refunding transaction described in the preceding paragraphs resulted in an economic gain of \$339,463 while maintaining the life of the bonds and decreasing the Village's future debt service requirements by \$401,671.

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:

Year Ending April 30,	Principal	Interest	Total
2013	\$ 515,000	\$ 48,825	\$ 563,825
2014	535,000	24,878	559,878
	<u>\$ 1,050,000</u>	<u>\$ 73,703</u>	<u>\$ 1,123,703</u>

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 was insufficient to cover the principal and interest payments, thus causing a note deficit, as defined in the note agreement. The note deficit accrued interest at 6.5%. An amendment to the note, dated November 5, 1999, eliminated the deficit requirements and all accrued interest through December 31, 1999. The original loan amount of \$6,000,000 will be repaid over 20 years at 6.5% interest with an annual payment of \$544,538. In any year where the sales tax is not sufficient to make the annual payment, the shortage will be accumulated and paid during a five-year period. The estimated sales tax revenues collected during the five-year extension period is \$1,750,000, which is the maximum liability that the Village will have on the accumulated note deficit. As of April 30, 2012, the maximum liability of \$1,750,000 has been accumulated and is reported as accrued interest payable in the Statement of Net Assets.

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 9. Long-Term Debt (Continued)

Incremental Sales Tax Revenue Notes Payable (Continued)

Annual debt service requirements to maturity are as follows:

Year Ending April 30,	Principal	Interest	Total
2013	\$ 334,373	\$ 210,165	\$ 544,538
2014	356,107	188,431	544,538
2015	379,254	165,284	544,538
2016	403,906	140,632	544,538
2017	430,160	114,378	544,538
2018-2022*	1,329,509	955,485	2,284,994
2023-2025*	-	962,500	962,500
	<u>\$ 3,233,309</u>	<u>\$ 2,736,875</u>	<u>\$ 5,970,184</u>

*Interest amount includes the deficit balance.

Capital Lease Obligations

At April 30, 2012, the Village is obligated for future payments under non-cancellable vehicle leases as follows:

Year Ending April 30,	Payment on Capital Lease Obligation
2013	\$ 123,155
2014	105,953
2015	33,224
2016	7,430
2017	<u>619</u>
	270,381
Less interest portion	<u>19,471</u>
	<u>\$ 250,910</u>

The cost of the capital assets acquired through capital lease is \$884,382, with accumulated depreciation of \$307,996 at April 30, 2012.

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 9. Long-Term Debt (Continued)

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, 2012, including accrued construction period interest, is \$2,566,078 and the principal outstanding at April 30, 2012, is \$1,934,373.

Annual debt service requirements to maturity are as follows:

Year Ending April 30,	Principal	Interest	Total
2013	\$ 122,066	\$ 47,584	\$ 169,650
2014	125,136	44,514	169,650
2015	128,284	41,366	169,650
2016	131,512	38,138	169,650
2017	134,820	34,830	169,650
2018-2022	726,712	121,538	848,250
2023-2027	565,843	28,609	594,452
	<u>\$ 1,934,373</u>	<u>\$ 356,579</u>	<u>\$ 2,290,952</u>

Note 10. Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; employee health claims and natural disasters. The Village insured for all general liability, unemployment and workers' compensation, employee health, auto and collision claims for which the Village is held liable. At April 30, 2012, the Village has estimated a reserve amount of \$7,500 to cover future claims exceeding loss coverage provided through IML. As of January 1, 2011 the Village is self-insured for the above risks (except for employee health insurance coverage which is purchased through an independent insurance carrier).

The estimated incurred but not reported (IBNR) insurance claim liabilities for governmental type activities and business type activities at April 30, 2012, total \$111,048 and \$169,329, respectively.

Claims and Judgements - IBNR

	2012	2011
Beginning Balance	\$ 382,388	\$ -
Additions	321,224	400,166
Reductions	423,235	17,778
Ending Balance	<u>\$ 280,377</u>	<u>\$ 382,388</u>

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 11. Contingent Liabilities

Grants

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

Litigation

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

Note 12. Joint Ventures

Central Lake County Joint Action Water Agency (CLCJAWA)

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

The purpose and objectives of the Agency are:

To provide water to member municipalities on a wholesale basis.

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

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

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 12. Joint Ventures (Continued)

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

Summary Financial Information for CLAJAWA as of April 30, 2012, is as follows.

Non restricted current assets	\$ 6,529,733
Restricted assets	24,727,156
Capital assets (net of accumulated depreciation)	106,798,645
Deferred charges (net of amortization)	<u>1,117,088</u>
Total assets	<u>\$ 139,172,622</u>
Current liabilities	\$ 12,701,941
Long-term liabilities (net of amortization/accretion)	<u>111,370,419</u>
Total liabilities	<u>124,072,360</u>
Invested in capital assets - net of related debt	(8,956,167)
Restricted - bond covenants	11,442,517
Restricted - debt retirement	709,501
Restricted - rate stabilization	995,878
Unrestricted	<u>10,908,533</u>
Total net assets	<u>15,100,262</u>
Total liabilities and net assets	<u>\$ 139,172,622</u>
Summary of revenues, expenses and net income for CLCJAWA for the year ended April 30, 2012:	
Total revenues	\$ 20,573,548
Total expenses	<u>16,708,293</u>
Net income	<u>\$ 3,865,255</u>

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

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 12. Joint Ventures (Continued)

CenCom E9-1-1 Joint Emergency Telephone System

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

Summary Financial Information (prepared on a modified cash basis) as of April 30, 2011, is as follows.

Current assets	\$ 485,156
Capital assets (net of accumulated depreciation)	<u>103,819</u>
Total assets	<u><u>\$ 588,975</u></u>
Net assets	
Invested in capital assets, net of related debt	\$ 103,819
Restricted for E9-1-1 purposes	<u>485,156</u>
Total net assets	<u><u>\$ 588,975</u></u>

Summary of revenues, expenses and changes in net assets for CenCom for the year ended April 30, 2011:

Total revenues	\$ 387,186
Total expenses	<u>510,582</u>
Change in net assets	<u><u>\$ (123,396)</u></u>

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 12. Joint Ventures (Continued)

CenCom E9-1-1 Public Safety Communications Center

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

Summary Financial Information (prepared on a modified cash basis) as of April 30, 2011, is as follows.

Current assets	\$ 768,101
Capital assets (net of accumulated depreciation)	<u>485,520</u>
Total assets	<u><u>\$ 1,253,621</u></u>
Net assets	
Invested in capital assets, net of related debt	\$ 485,520
Unrestricted	<u>768,101</u>
Total net assets	<u><u>\$ 1,253,621</u></u>

Summary of revenues, expenses and changes in net assets for CenCom E9-1-1 Public Safety Communications Center for the year ended April 30, 2011:

Total revenues	\$ 1,930,902
Total expenses	<u>1,813,794</u>
Change in net assets	<u><u>\$ 117,108</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.

Solid Waste Agency of Lake County

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

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 12. Joint Ventures (Continued)

Solid Waste Agency of Lake County (Continued)

Summary Financial Information for SWALCO as of November 30, 2011 (most recent information available) is as follows.

Current assets	\$ 2,310,417
Capital assets (net of accumulated depreciation)	<u>1,447,952</u>
Total assets	<u>\$ 3,758,369</u>
Liabilities	
Current liabilities	<u>\$ 296,114</u>
Net assets	
Invested in capital assets, net of related debt	1,327,952
Restricted	120,000
Unrestricted	<u>2,014,303</u>
Total net assets	<u>3,462,255</u>
Total liabilities and net assets	<u>\$ 3,758,369</u>

Summary of revenues, expenses and changes in net assets for SWALCO for the year ended November 30, 2011:

Total revenues	\$ 858,154
Total expenses	<u>952,702</u>
Change in net assets	<u>\$ (94,548)</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 Financial Statements

Note 13. Employee Retirement Systems

Illinois Municipal Retirement Fund

Plan Description

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

Funding Policy

As set by statute, employer regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village contribution rates for calendar years 2011 and 2012 used were 9.32 and 10.25 percent, respectively, of annual covered payroll. The Village annual required contribution rates for calendar years 2011 and 2012 were 10.37 and 11.00 percent, respectively. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost

The following table shows the components of the Village's annual pension cost for the fiscal year ended April 30, 2012, the amount actually contributed to the plan and changes in the Village's net pension obligation to the plan:

Annual required contribution (ARC)	\$ 230,498
Interest on net pension obligation	3,065
Adjustment to annual required contribution	<u>(2,191)</u>
Annual pension cost	231,372
Contribution made	<u>(209,607)</u>
Increase in net pension obligation	21,765
Net pension obligation beginning of year	<u>40,878</u>
Net pension obligation end of year	<u><u>\$ 62,643</u></u>

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 13. Employee Retirement Systems (Continued)

Illinois Municipal Retirement Fund (Continued)

Annual Pension Cost (Continued)

The required contributions for 2012 and 2011 were determined as part of the December 31, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of your employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The employer Regular plan's unfunded actuarial accrued liability at December 31, 2009 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Three-Year Trend Information for the Regular Plan

Year Ended April 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset (Obligation)
2012	\$ 231,372	91 %	\$ (62,643)
2011	241,651	83	(40,878)
2010	158,261	100	-

Funded Status and Funding Progress

As of December 31, 2011, the most recent actuarial valuation date, the Regular plan was 78.77 percent funded. The actuarial accrued liability for benefits was \$5,846,050 and the actuarial value of assets was \$4,605,189, resulting in underfunded actuarial accrued liability (UAAL) of \$1,240,861. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was \$2,202,580 and the ratio of the UAAL to the covered payroll was 56 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.

Police Pension Fund

Plan Description

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

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 13. Employee Retirement Systems (Continued)

Police Pension Fund (Continued)

Plan Description (Continued)

At April 30, 2012, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	18
Members entitled to benefits but not yet receiving them	-
Active plan members	<u>43</u>
Total	<u><u>61</u></u>

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

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

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

Funding Policy

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

Basis of Accounting

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

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 13. Employee Retirement Systems (Continued)

Police Pension Fund (Continued)

Annual Pension Cost and Net Pension Obligation

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

Annual required contribution (ARC)	\$ 974,266
Interest on net pension obligation	2,099
Adjustment to net pension obligation	<u>(1,597)</u>
Annual pension cost (APC)	974,768
Contributions made	<u>(963,253)</u>
Increase in net pension obligation	11,515
Net pension obligation	
Beginning of year	<u>29,989</u>
End of year	<u><u>\$ 41,504</u></u>

Schedule of Employer Contributions

Year Ended April 30,	Annual Required Contribution	Percentage of APC Contributed	Net Pension Asset (Obligation)
2012	\$ 974,266	99.5 %	\$ (41,504)
2011	839,794	106.1	(29,989)
2010	758,833	99.3	(79,281)

Funded Status and Funding Progress

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

Police Pension Fund

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)-(1) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll	UAAL as a Percentage of Covered Payroll ((2-1)/3)
5/1/2011	\$ 12,930,415	\$ 22,904,999	\$ 9,974,584	56.45 %	\$ 3,058,078	326.17 %

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 13. Employee Retirement Systems (Continued)

Police Pension Fund (Continued)

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

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

Significant Actuarial Assumptions

Additional information as of the latest valuation follows:

Actuarial valuation date	April 30, 2011
Actuarial cost method	Entry age normal cost
Asset valuation method	Market
Amortization method	Level Percentage of Payroll, closed
Amortization period remaining	22 Years
Mortality rate assumptions	1971 Group Annuity
Decrement assumption	Experience tables
Other actuarial assumptions:	
a) Investment rate of return	7.00%
b) Projected salary increases	5.50%

Note 14. Other Postemployment Benefits (OPEB)

Plan Description

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

At April 30, 2010, membership in the Plan consisted of the following:

	<u>Members</u>
Retirees and beneficiaries receiving benefits	7
Active plan members	<u>73</u>
Total membership	<u><u>80</u></u>

Village of Round Lake Beach, Illinois

Notes to Financial Statements

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

Plan Description (Continued)

Funding Policy

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

Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution (ARC)	\$ 184,418
Interest on net OPEB obligation	25,175
Adjustment to annual required contribution	<u>-</u>
Annual OPEB cost	209,593
Contribution made	<u>(23,014)</u>
Increase in net OPEB obligation	186,579
Net OPEB obligation beginning of year	<u>559,453</u>
Net OPEB obligation end of year	<u><u>\$ 746,032</u></u>

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal year 2012 is as follows:

Trend Information – Other Postemployment Benefits

Year Ended April 30,	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2012	\$ 209,593	\$ 23,014	11.0 %	\$ 746,032
2011	202,360	41,615	20.6	559,453
2010	239,154	33,789	14.1	398,708

Village of Round Lake Beach, Illinois

Notes to Financial Statements

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

Annual OPEB Cost and Net OPEB Obligation (Continued)

Funding Status and Funding Progress

The funded status and funding progress of the Plan as of April 30, 2010 was as follows:

Actuarial accrued liability (AAL)	\$ 2,053,349
Actual value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 2,053,349</u>
Funded ratio (actuarial value of plan assets/AAL)	<u>0.00%</u>
Covered payroll (active plan members)	<u>\$ 4,885,292</u>
UAAL as a percentage of covered payroll	<u>42.03%</u>

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

The actuarial assumptions included (a) 4.50% 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, 2010, (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.

Note 15. Restricted Net Assets

The government-wide statement of net assets reports \$1,842,551 of restricted net assets which consist of the following:

Roads (motor fuel tax allotments)	\$ 343,093
Unused GO bond proceeds in Fund 72	1,363,095
Economic development (TIF Funds)	<u>136,363</u>
Total restricted net assets	<u>\$ 1,842,551</u>

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 16. New Governmental Accounting Standards

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

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, will be effective for the Village beginning with its year ending April 30, 2013. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

1. Financial Accounting Standards Board (FASB) Statements and Interpretations
2. Accounting Principles Board Opinions
3. Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, will be effective for the Village beginning with its year ending April 30, 2013. The objective of this statement is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, will be effective for the Village beginning with its year ending April 30, 2014. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations.

GASB Statement No. 66, *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62*, will be effective for the Village beginning with its year ending April 30, 2014. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement amends Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service fund type. This Statement also amends Statement 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate.

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 16. New Governmental Accounting Standards (Continued)

GASB Statement No. 67, *Financial Reporting for Pension Plans*, will be effective for the Village beginning with its year ended April 30, 2015. This statement builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. This statement enhances note disclosures and RSI for both defined benefit and defined contribution pension plans and requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules.

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

Management has not currently determined what impact, if any, these Statements may have on its financial statements; however, GASB 67 and 68 are expected to have a material impact when implemented.

Note 17. Subsequent Event

On November 26, 2012 the Village board of trustees approved an ordinance for an issuance of General Obligation Refunding Bonds, Series 2012 not to exceed \$5,500,000. The proceeds of the Bonds will be used for the purpose of refunding all or a selected portion of the outstanding 2004 and 2004A series Bonds originally issued by the Village and to realize net debt service savings from the refunding.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

Village of Round Lake Beach, Illinois

Required Supplementary Information
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – General Fund
Year Ended April 30, 2012

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Taxes	\$ 3,913,000	\$ 3,969,131	\$ 56,131
Intergovernmental	5,189,500	5,706,219	516,719
Licenses and permits	463,075	533,328	70,253
Fines	497,500	668,623	171,123
Interest	33,471	17,189	(16,282)
Charges for services	214,050	273,181	59,131
Rental income	46,580	39,000	(7,580)
Miscellaneous	222,866	75,576	(147,290)
Total revenues	10,580,042	11,282,247	702,205
Expenditures			
General government			
Legislative	397,933	365,895	32,038
Boards and commissions	35,036	36,460	(1,424)
Administration	372,778	386,212	(13,434)
Village clerk	9,163	7,809	1,354
Finance	178,705	178,201	504
Village president's office	26,990	28,418	(1,428)
Insurance	632,919	434,568	198,351
Public safety	6,434,874	6,408,707	26,167
Economic development	871,059	793,994	77,065
Public works	1,486,637	1,425,627	61,010
Total expenditures	10,446,094	10,065,891	380,203
Excess (deficiency) of revenues over expenditures	133,948	1,216,356	1,082,408
Other financing sources (uses)			
Transfer out	(196,583)	(196,583)	-
Loan proceeds	62,635	-	(62,635)
	<u>(133,948)</u>	<u>(196,583)</u>	<u>(62,635)</u>
Net change in fund balance	<u>\$ -</u>	1,019,773	<u>\$ 1,019,773</u>
Fund balance - beginning, as restated		<u>6,255,187</u>	
Fund balance - ending		<u>\$ 7,274,960</u>	

See Notes to Required Supplementary Information.

Village of Round Lake Beach, Illinois

Required Supplementary Information
 Schedule of Revenues, Expenditures, and Changes in Fund Balance –
 Budget and Actual – TIF #2 Special Revenue Fund
 Year Ended April 30, 2012

	Original and Final Budget	Actual	Variance with Final Budget
<hr/>			
Revenues			
Taxes			
Real estate taxes	\$ 2,200,000	\$ 2,136,982	\$ (63,018)
Interest on investments	1,800	271	(1,529)
Total revenues	<u>2,201,800</u>	<u>2,137,253</u>	<u>(64,547)</u>
Expenditures			
Economic development			
TIF rebates	<u>2,201,800</u>	<u>2,137,842</u>	<u>63,958</u>
Net change in fund balance	<u>\$ -</u>	(589)	<u>\$ (589)</u>
Fund balance - beginning		<u>589</u>	
Fund balance - ending		<u>\$ -</u>	

See Notes to Required Supplementary Information.

Village of Round Lake Beach, Illinois

Required Supplementary Information
Analysis of Funding Progress

April 30, 2012

Illinois Municipal Retirement Fund

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)-(1) (Overfunded) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll	(Overfunded) Underfunded UAAL as a Percentage of Annual Covered Payroll ((2-1)/3)
12/31/2011	\$ 4,605,189	\$ 5,846,050	\$ 1,240,861	78.77 %	\$ 2,202,580	56.34 %
12/31/2010	4,364,567	5,498,785	1,134,218	79.37	2,423,043	46.81
12/31/2009	5,340,085	6,285,993	945,908	84.95	2,581,748	36.64
12/31/2008	5,054,355	5,617,919	563,564	89.97	2,341,187	24.07
12/31/2007	5,957,941	5,156,929	(801,012)	115.53	2,315,831	(34.59)
12/31/2006	5,298,911	4,595,090	(703,821)	115.32	2,195,982	(32.05)

Village of Round Lake Beach, Illinois

Required Supplementary Information
Analysis of Funding Progress

April 30, 2012

Police Pension Fund

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)-(1) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll	UAAL as a Percentage of Covered Payroll ((2-1)/3)
5/1/2011	\$ 12,930,415	\$ 22,904,999	\$ 9,974,584	56.45 %	\$ 3,058,078	326.17 %
5/1/2010	11,364,253	21,711,924	10,347,671	52.34	2,893,925	357.57
5/1/2009	9,787,805	19,891,428	10,103,623	49.21	2,750,717	367.31
5/1/2008	10,890,053	18,135,057	7,245,004	60.05	2,775,802	261.01
5/1/2007	10,467,118	16,940,905	6,473,787	61.79	2,587,978	250.15
5/1/2006	9,938,382	15,593,498	5,655,116	63.73	2,356,890	239.94

Village of Round Lake Beach, Illinois

**Other Post-Employment Benefits
Required Supplementary Information
Year Ended April 30, 2012**

Analysis of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b) - (a)	Funded Ratio (a)/(b)		Covered Payroll (c)	UAAL as a Percentage of Annual Covered Payroll ((b - a) / c)
4/30/2010	\$ -	\$ 2,053,349	\$2,053,349	-	%	\$ 4,885,292	42.03 %
4/30/2009	-	2,313,623	2,313,623	-		5,137,560	45.03

The Village has presented as many years as is available.

Employer Contributions

Fiscal Year Ending	Required Contribution	Percentage Contributed
4/30/2012	\$ 209,593	11.0 %
4/30/2011	202,360	20.6
4/30/2010	238,154	14.1
4/30/2009	239,154	19.2

Information is presented for as many years as is available. The Village implemented GASB Statement No. 45 in fiscal year 2009.

Village of Round Lake Beach, Illinois

Notes to Required Supplementary Information

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

Assumptions:

The actuarial assumptions used to determine the actuarial accrued liability for 2011 are based on the 2006-2008 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.

Note 2. Budgets

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

- (a) The Village Administrator submits to the Village President the proposed operating budget for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them.
- (b) The Village President reviews the proposed budget and makes changes as necessary. The Administrator then holds workshops with support staff and one or two trustees at a time where the budget is reviewed and recommendations are collected. The Trustees' suggestions are incorporated in the budget draft for final review by the Village President, who may make additional changes.
- (c) A public hearing is conducted to obtain taxpayer comments on the proposed fiscal year appropriation ordinance.
- (d) The fiscal year appropriation ordinance, which incorporates the budget decisions of the Village Board, is legally enacted for the General Fund, Special Revenue Funds, Capital Projects Funds and Proprietary Fund Types.
- (e) The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the department level, per fund. The Department head may modify the department budget by spending less in one line item when another will go over budget. Modifications to the budget beyond the department-per-fund level can only be made by the Village Board of Trustees. Village management does not have the authority to modify the budget beyond the department-per-fund level.
- (f) All appropriations lapse at year-end. No supplemental appropriations were made by the Village Board of Trustees during fiscal year 2012.

Village of Round Lake Beach, Illinois

Notes to Required Supplementary Information

Note 2. Budgets (Continued)

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

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

Fund / Department	Budget	Actual	Excess
General:			
Boards and Commissions	\$ 35,036	\$ 36,460	\$ (1,424)
Administration	372,778	386,212	(13,434)
Village President's Office	26,990	28,418	(1,428)
G.O. Bond Debt Service Fund	2,027,928	2,131,538	(103,610)
General Improvement Fund	445,142	920,806	(475,664)
TIF #1 Capital Project Fund	3,654,000	5,204,716	(1,550,716)
Waterworks and Sewerage Fund	5,019,403	5,880,186	(860,783)

In the General Fund, the excess of expenses over budgeted amounts in the Boards and Commissions department was due to higher-than-anticipated number of police vacancies resulting in increased testing and applicant costs. Unanticipated emergency equipment repair, timing of large advertising expense and a greater number of liquor license background checks was the cause of the excess of expenditures over budgeted amounts in the Administration department and Village President's Office.

The excess of expenditures over budgeted amounts in the G.O. Bond Debt Service Fund is due to costs associated with the bond refunding.

The excess of expenditures over budgeted amounts in the General Improvement Fund is related to the timing of capital projects.

The excess of expenditures over budgeted amounts in the TIF #1 Capital Project Fund is related to the timing of capital projects.

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

SUPPLEMENTARY INFORMATION

Village of Round Lake Beach, Illinois

General Fund
Combining Balance Sheet, by Account
April 30, 2012

	General Fund	Police Special Revenues	Housing and Redevelopment
Assets			
Cash and investments	\$ 5,217,335	\$ 78,773	\$ 1,325
Receivables			
Property taxes	2,434,782	-	-
Other	446,395	-	79,095
Due from other governments	2,491,208	1,823	-
Advances to other funds	593,884	-	-
Prepaid items	101,825	-	-
Property held for resale	-	-	301,716
Total assets	<u>\$ 11,285,429</u>	<u>\$ 80,596</u>	<u>\$ 382,136</u>
Liabilities			
Accounts payable	\$ 344,110	\$ 2,265	\$ 378
Accrued payroll	383,718	-	-
Advances from other funds	-	-	456,000
Claims payable	13,239	-	-
Deposits payable	23,982	-	-
Unearned revenue	2,901,167	395	-
Line of credit payable	-	-	236,846
Total liabilities	<u>3,666,216</u>	<u>2,660</u>	<u>693,224</u>
Fund Balances			
Non-spendable	101,825	-	-
Restricted	-	77,936	-
Assigned	-	-	301,716
Unassigned	7,517,388	-	(612,804)
Total fund balances	<u>7,619,213</u>	<u>77,936</u>	<u>(311,088)</u>
Total liabilities and fund balances	<u>\$ 11,285,429</u>	<u>\$ 80,596</u>	<u>\$ 382,136</u>

General Fund					
Metra Operations	TIF #4	Civic Center	Eliminations	Total	
\$ 3,437	\$ 675	\$ 39,306	\$ -	\$ 5,340,851	
-	4,625	-	-	2,439,407	
-	-	4,310	-	529,800	
-	-	-	-	2,493,031	
-	-	-	(593,824)	60	
-	-	-	-	101,825	
-	-	-	-	301,716	
<u>\$ 3,437</u>	<u>\$ 5,300</u>	<u>\$ 43,616</u>	<u>\$ (593,824)</u>	<u>\$ 11,206,690</u>	
\$ 2,173	\$ -	\$ 16,901	\$ -	\$ 365,827	
-	-	1,931	-	385,649	
-	45,000	92,824	(593,824)	-	
-	-	-	-	13,239	
-	-	-	-	23,982	
-	4,625	-	-	2,906,187	
-	-	-	-	236,846	
<u>2,173</u>	<u>49,625</u>	<u>111,656</u>	<u>(593,824)</u>	<u>3,931,730</u>	
-	-	-	-	101,825	
-	-	-	-	77,936	
1,264	-	-	-	302,980	
-	(44,325)	(68,040)	-	6,792,219	
<u>1,264</u>	<u>(44,325)</u>	<u>(68,040)</u>	<u>-</u>	<u>7,274,960</u>	
<u>\$ 3,437</u>	<u>\$ 5,300</u>	<u>\$ 43,616</u>	<u>\$ (593,824)</u>	<u>\$ 11,206,690</u>	

Village of Round Lake Beach, Illinois

General Fund
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances, by Account
Year Ended April 30, 2012

	General Fund	Police Special Revenues	Housing and Redevelopment
Revenues			
Taxes	\$ 3,969,131	\$ -	\$ -
Intergovernmental	5,700,914	5,305	-
License and permits	533,328	-	-
Fines	646,448	22,175	-
Interest	13,143	29	4,017
Charges for services	135,074	-	-
Rental income	35,400	-	3,600
Miscellaneous	54,049	20,452	-
Total revenues	11,087,487	47,961	7,617
Expenditures			
Current			
General government	1,041,893	-	-
Public Safety	6,361,098	47,609	-
Economic development	715,248	-	34,421
Public Works	1,381,275	-	-
Debt service			
Principal	269,074	-	-
Total expenditures	9,768,588	47,609	34,421
Excess (deficiency) of revenues over expenditures	1,318,899	352	(26,804)
Other financing sources (uses)			
Transfers out	(196,583)	-	-
Proceeds from capital leases	-	-	-
Total other financing sources (uses)	(196,583)	-	-
Net change in fund balances	1,122,316	352	(26,804)
Fund balances - beginning, as restated	6,496,897	77,584	(284,284)
Fund balances - ending	\$ 7,619,213	\$ 77,936	\$ (311,088)

General Fund				
Metra Operations	TIF #4	Civic Center	Total	
\$ -	\$ -	\$ -	\$	3,969,131
-	-	-		5,706,219
-	-	-		533,328
-	-	-		668,623
-	-	-		17,189
34,902	-	103,205		273,181
-	-	-		39,000
-	-	1,075		75,576
34,902	-	104,280		11,282,247
-	-	126,596		1,168,489
-	-	-		6,408,707
-	44,325	-		793,994
44,352	-	-		1,425,627
-	-	-		269,074
44,352	44,325	126,596		10,065,891
(9,450)	(44,325)	(22,316)		1,216,356
-	-	-		(196,583)
-	-	-		-
-	-	-		(196,583)
(9,450)	(44,325)	(22,316)		1,019,773
10,714	-	(45,724)		6,255,187
\$ 1,264	\$ (44,325)	\$ (68,040)	\$	7,274,960

Village of Round Lake Beach, Illinois

General Fund

Schedule of Revenues and Other Financing Sources (Uses) - Budget and Actual
Year Ended April 30, 2012

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Taxes			
Property tax			
Corporate fund	\$ 810,250	\$ 810,661	\$ 411
Liability insurance	328,000	328,086	86
Police protection	150,000	150,039	39
Auditing	25,750	25,757	7
IMRF	125,000	125,033	33
Road and bridge	33,000	25,713	(7,287)
Police pension	963,000	963,253	253
Total property tax	2,435,000	2,428,542	(6,458)
Other taxes			
Home rule	275,000	340,274	65,274
Telecommunications	350,000	339,541	(10,459)
Gas	135,000	142,311	7,311
Electric	388,000	387,607	(393)
Amusement	330,000	330,856	856
Total other taxes	1,478,000	1,540,589	62,589
Total taxes	3,913,000	3,969,131	56,131
Intergovernmental - Revenue from other agencies			
Sales tax	2,850,000	2,841,450	(8,550)
Use	320,000	411,216	91,216
Personal property replacement tax	14,000	13,764	(236)
Income tax	2,000,000	2,387,157	387,157
Grant revenue	5,000	47,802	42,802
Charitable game tax/license	500	-	(500)
Police training grant reimbursement	-	4,830	4,830
Total intergovernmental-revenue from other agencies	5,189,500	5,706,219	516,719

(Continued)

Village of Round Lake Beach, Illinois

General Fund

Schedule of Revenues and Other Financing Sources (Uses) - Budget and Actual (Continued)
 Year Ended April 30, 2012

	Original and Final Budget	Actual	Variance with Final Budget
Revenues (Continued)			
Licenses and permits			
Business certificates	\$ 64,275	\$ 61,490	\$ (2,785)
Liquor	30,000	30,125	125
Billboard licenses	1,350	1,350	-
Contractor application fee	8,000	7,035	(965)
Rental certification	49,450	61,145	11,695
Occupancy permits	20,000	18,955	(1,045)
Building permits	110,000	155,701	45,701
Cable TV franchise fee	130,000	160,740	30,740
Nicor gas franchise fee	45,000	35,487	(9,513)
Annex/ZBA/Plan	5,000	1,300	(3,700)
Total licenses and permits	463,075	533,328	70,253
Fines			
Police fines	400,000	575,509	175,509
DUI revenues	6,000	13,028	7,028
Tobacco enforcement	1,000	2,500	1,500
Towing revenues	77,000	55,500	(21,500)
False alarm	10,000	4,200	(5,800)
Building fines	3,500	17,886	14,386
Total fines	497,500	668,623	171,123
Interest	33,471	17,189	(16,282)

(Continued)

Village of Round Lake Beach, Illinois

General Fund

Schedule of Revenues and Other Financing Sources (Uses) - Budget and Actual (Continued)
Year Ended April 30, 2012

	Original and Final Budget	Actual	Variance with Final Budget
Revenues (Continued)			
Charges for services			
Police photocopy service	\$ 4,500	\$ 3,930	\$ (570)
Lien/weed cutting	42,500	31,743	(10,757)
Police security services	4,000	4,764	764
Daily parking collections	32,000	34,902	2,902
Recycling SWALCO	25,000	66,157	41,157
Community event	106,050	131,685	25,635
Total charges for services	<u>214,050</u>	<u>273,181</u>	<u>59,131</u>
Miscellaneous			
Rental income	46,580	39,000	(7,580)
Miscellaneous	222,866	75,576	(147,290)
Total miscellaneous	<u>269,446</u>	<u>114,576</u>	<u>(154,870)</u>
Total revenues	<u>10,580,042</u>	<u>11,282,247</u>	<u>702,205</u>
Other Financing Sources (Uses)			
Transfers out	(196,583)	(196,583)	-
Loan proceeds	62,635	-	(62,635)
Total other financing sources (uses)	<u>(133,948)</u>	<u>(196,583)</u>	<u>(62,635)</u>
Total revenues and other financing sources (uses)	<u>\$ 10,446,094</u>	<u>\$ 11,085,664</u>	<u>\$ 639,570</u>

Village of Round Lake Beach, Illinois

General Fund

Schedule of Expenditures - Budget and Actual
Year Ended April 30, 2012

	Original and Final Budget	Actual	Variance with Final Budget
General government			
Legislative			
Salaries - full time	\$ 28,800	\$ 28,800	\$ -
IMRF	2,684	2,452	232
FICA	1,786	1,786	-
Medicare	417	418	(1)
Village building stipend	3,600	3,600	-
Training	1,740	1,489	251
Travel/food	5,325	3,441	1,884
Dues and subscriptions	20,306	18,073	2,233
Employee recognition	2,500	2,409	91
Telephone	-	85	(85)
Postage	200	145	55
Printing, advertising, publishing	1,775	918	857
Video service	4,800	4,830	(30)
Legal	313,000	286,619	26,381
Community events	5,000	4,930	70
Dollars for scholars	6,000	5,000	1,000
Miscellaneous	-	900	(900)
Total Legislative	397,933	365,895	32,038
Boards and Commissions			
Salaries - part time	3,720	2,860	860
FICA	164	64	100
Medicare	38	15	23
Training	1,400	780	620
Travel/food	700	700	-
Planning/consulting	-	1,478	(1,478)
Dues and subscriptions	375	375	-
Office supplies	265	546	(281)
Printing, advertising, publishing	3,624	1,079	2,545
Tech services	8,250	12,814	(4,564)
Legal	16,500	15,735	765
Miscellaneous	-	14	(14)
Total Boards and Commissions	35,036	36,460	(1,424)

(Continued)

Village of Round Lake Beach, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)

Year Ended April 30, 2012

	Original and Final Budget	Actual	Variance with Final Budget
General Government (Continued)			
Administration			
Salaries - full time	\$ 200,027	\$ 201,124	\$ (1,097)
Health insurance	43,650	45,494	(1,844)
IMRF	19,497	19,940	(443)
FICA	12,402	11,220	1,182
Medicare	2,901	2,663	238
Training	480	233	247
Travel/food	594	443	151
Dues and subscriptions	3,992	3,445	547
Office supplies	6,375	9,549	(3,174)
Telephone	346	662	(316)
Utilities	30,500	29,804	696
Cellular phone	900	915	(15)
Postage	135	98	37
Printing, advertising, publishing	7,935	13,234	(5,299)
Village newsletter	14,260	14,104	156
Web page maintenance	4,450	3,354	1,096
Operating supplies	4,500	4,246	254
Contractual services	14,134	17,281	(3,147)
Payroll processing	4,500	4,675	(175)
Equipment purchase	-	1,922	(1,922)
Fuel/oil	1,200	1,801	(601)
Pre-employment background and testing	-	5	(5)
Total Administration	372,778	386,212	(13,434)
Village Clerk			
Salaries - full time	2,000	2,000	-
IMRF	186	202	(16)
FICA	124	116	8
Medicare	29	37	(8)
Training	290	305	(15)
Travel/food	1,397	1,190	207
Dues and subscriptions	150	312	(162)
Office supplies	150	10	140
Telephone	87	160	(73)
Postage	50	36	14
Printing, advertising, publishing	-	233	(233)

(Continued)

Village of Round Lake Beach, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)

Year Ended April 30, 2012

	Original and Final Budget	Actual	Variance with Final Budget
General Government (Continued)			
Village Clerk (Continued)			
Codification	\$ 4,000	\$ 3,208	\$ 792
Archiving	700	-	700
Total Village Clerk	9,163	7,809	1,354
Finance			
Salaries - full time	78,250	74,194	4,056
Health insurance	6,286	1,778	4,508
IMRF	7,293	7,307	(14)
FICA	4,852	4,289	563
Medicare	1,135	1,042	93
Training	250	346	(96)
Travel/food	95	360	(265)
Due and subscriptions	250	533	(283)
Office supplies	1,660	1,420	240
Telephone	1,194	1,861	(667)
Postage	830	1,601	(771)
Printing, advertising, publishing	1,215	664	551
Network support	33,100	29,769	3,331
Data processing	6,750	9,575	(2,825)
Cafeteria plan	570	1,197	(627)
Equipment maintenance	4,525	5,576	(1,051)
Liens	3,200	5,329	(2,129)
Auditor/financial consultant	27,250	30,832	(3,582)
Miscellaneous	-	528	(528)
Total Finance	178,705	178,201	504

(Continued)

Village of Round Lake Beach, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)
Year Ended April 30, 2012

	Original and Final Budget	Actual	Variance with Final Budget
General Government (Continued)			
Village President's Office			
Salaries - full time	\$ 20,000	\$ 20,000	\$ -
IMRF	1,864	2,027	(163)
FICA	1,240	1,240	-
Medicare	290	290	-
Village building stipend	1,200	1,200	-
Training	440	673	(233)
Travel/food	1,780	2,488	(708)
Telephone	101	160	(59)
Printing, advertising, publishing	75	-	75
Liquor license background check	-	340	(340)
Total Village President's Office	26,990	28,418	(1,428)
Financing and Insurance			
Liability insurance	131,733	59,254	72,479
Workers' compensation	131,733	70,631	61,102
Unemployment insurance	15,000	12,912	2,088
Bank fees	3,400	-	3,400
Insurance broker fees	16,250	16,250	-
Miscellaneous	-	6,447	(6,447)
Principal	294,803	269,074	25,729
Interest	40,000	-	40,000
Total Financing and Insurance	632,919	434,568	198,351
Total General Government	1,653,524	1,437,563	215,961

(Continued)

Village of Round Lake Beach, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)
Year Ended April 30, 2012

	Original and Final Budget	Actual	Variance with Final Budget
Public Safety			
Salaries - full time	\$ 3,462,121	\$ 3,350,270	\$ 111,851
Salaries - part time	8,000	7,318	682
Overtime	264,000	218,889	45,111
Court pay	-	19,103	(19,103)
Health insurance	666,295	692,397	(26,102)
Police pension contribution	1,024,190	963,253	60,937
IMRF	28,995	29,078	(83)
FICA	19,785	19,974	(189)
Medicare	52,631	48,461	4,170
Training	10,665	11,047	(382)
Travel/food	5,161	2,985	2,176
Clothing	22,357	30,464	(8,107)
Due and subscriptions	19,067	17,600	1,467
Safety equipment	6,032	1,838	4,194
Medical	3,230	2,809	421
Office supplies	8,718	7,978	740
Telephone	3,535	17,715	(14,180)
Cellular phone	6,600	5,656	944
Wi-Fi services	9,120	8,211	909
Postage	6,666	4,933	1,733
Printing, advertising, publishing	5,365	4,438	927
Tech services	1,295	-	1,295
Data processing	11,540	10,205	1,335
Animal control	4,058	4,276	(218)
Equipment purchase	120	357	(237)
Equipment maintenance	4,192	3,936	256
Furniture and fixtures	-	556	(556)
Vehicle accessories	398	547	(149)
Vehicle maintenance	66,000	60,110	5,890
Fuel/oil	93,000	115,802	(22,802)

(Continued)

Village of Round Lake Beach, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)

Year Ended April 30, 2012

	Original and Final Budget	Actual	Variance with Final Budget
Public Safety (Continued)			
Operating supplies	\$ 4,500	\$ 3,514	\$ 986
Community service	4,350	2,976	1,374
Weapons supplies	20,481	13,950	6,531
Jail expenditures	22,157	18,509	3,648
CenCom	500,141	496,171	3,970
Payroll contingency	39,232	164,934	(125,702)
Warning siren	2,300	838	1,462
Drug prevention asset seizure	5,077	26,902	(21,825)
DUI prevention	5,000	629	4,371
Grant expenditures	6,500	5,305	1,195
Mobile eye	12,000	14,773	(2,773)
Total Public Safety	6,434,874	6,408,707	26,167
Economic Development			
Salaries - full time	305,610	303,396	2,214
Health insurance	49,304	67,303	(17,999)
IMRF	26,635	27,771	(1,136)
FICA	18,948	17,830	1,118
Medicare	4,431	4,170	261
Training	1,600	1,416	184
Travel/food	500	266	234
Clothing	2,100	100	2,000
Due and subscriptions	805	803	2
Office supplies	2,000	1,594	406
Telephone	1,732	3,206	(1,474)
Cellular phone	3,676	2,423	1,253
Postage	5,000	3,619	1,381
Printing, advertising, publishing	3,500	3,952	(452)

(Continued)

Village of Round Lake Beach, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)
Year Ended April 30, 2012

	Original and Final Budget	Actual	Variance with Final Budget
Economic Development (Continued)			
Pre-employment screening	\$ 400	\$ 101	\$ 299
Film/batteries	150	46	104
Equipment purchase	200	98	102
Equipment maintenance	341	91	250
Vehicle accessories	50	-	50
Fuel/oil	6,000	7,054	(1,054)
Planning/consulting	38,500	31,360	7,140
Engineering	3,000	49,878	(46,878)
Subcontract plumbing inspector	4,500	4,050	450
Elevator inspections	1,800	1,546	254
Board-ups	6,000	4,563	1,437
Utilities	500	151	349
Utilities - natural gas	800	41	759
Interest	11,000	10,836	164
Property purchase	150,000	4,428	145,572
Property taxes	2,000	660	1,340
Tax rebates	106,877	174,799	(67,922)
Rental management	600	200	400
Building maintenance	75,000	706	74,294
Legal	5,000	-	5,000
Miscellaneous	7,500	17,399	(9,899)
Community events	25,000	48,138	(23,138)
Total Economic Development	871,059	793,994	77,065
Public Works			
Salaries - full time	593,851	564,634	29,217
Overtime	28,000	4,440	23,560
Health insurance	140,815	144,095	(3,280)

(Continued)

Village of Round Lake Beach, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)

Year Ended April 30, 2012

	Original and Final Budget	Actual	Variance with Final Budget
Public Works (Continued)			
IMRF	\$ 57,956	\$ 54,854	\$ 3,102
FICA	38,554	32,059	6,495
Medicare	9,017	7,497	1,520
Medical exams	-	520	(520)
Medical expenses	1,973	1,019	954
Medical supplies	50	22	28
Training	343	351	(8)
Travel/food	146	101	45
Clothing	5,400	2,915	2,485
Dues and subscription	795	255	540
Safety equipment	2,535	1,079	1,456
Office supplies	1,000	767	233
Telephone	3,118	6,116	(2,998)
Cellular phone	3,342	2,868	474
Utilities	13,592	15,714	(2,122)
Natural gas	30,500	23,256	7,244
Postage	75	54	21
Printing, advertising, publishing	160	512	(352)
Pre-employment screening	100	-	100
Janitorial services	29,765	30,012	(247)
Janitorial supplies	3,000	2,713	287
Debris disposal	1,900	910	990
Equipment purchase	1,620	9,639	(8,019)
Equipment maintenance	9,560	9,282	278
Vehicle accessories	400	400	-
Vehicle maintenance	36,015	46,543	(10,528)

(Continued)

Village of Round Lake Beach, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)

Year Ended April 30, 2012

	Original and Final Budget	Actual	Variance with Final Budget
Public Works (Continued)			
Fuel/oil	\$ 33,005	\$ 27,698	\$ 5,307
Engineering	4,000	13,348	(9,348)
Park maintenance	6,140	1,873	4,267
Storm sewer maintenance	10,015	10,159	(144)
Building maintenance	16,436	39,435	(22,999)
Street light maintenance	100,000	88,781	11,219
Traffic signal maintenance	47,804	45,092	2,712
Lifeguards	27,000	24,124	2,876
Pest control	40,000	39,112	888
Mowing contract	85,887	100,386	(14,499)
Street sweeping	14,000	7,850	6,150
Tree replacement	3,000	2,600	400
Graffiti removal	2,535	-	2,535
Contractual services	81,760	59,366	22,394
Miscellaneous	1,473	3,176	(1,703)
Total Public Works	1,486,637	1,425,627	61,010
Total Expenditures	\$ 10,446,094	\$ 10,065,891	\$ 380,203

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

CAPITAL PROJECTS FUNDS

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

Village of Round Lake Beach, Illinois

Nonmajor Governmental Funds

Combining Balance Sheet

April 30, 2012

	Special Revenue		
	Motor Fuel Tax	TIF #3	Total
Assets			
Cash and investments	\$ 769,803	\$ 136,363	\$ 906,166
Due from other governments	54,699	-	54,699
Advances to other funds	-	-	-
Total assets	<u>\$ 824,502</u>	<u>\$ 136,363</u>	<u>\$ 960,865</u>
Liabilities			
Accounts payable	\$ 481,409	\$ -	\$ 481,409
Deposits payable	-	-	-
Retention payable	-	-	-
Total liabilities	<u>481,409</u>	<u>-</u>	<u>481,409</u>
Fund Balances			
Restricted	342,435	135,544	477,979
Assigned	658	819	1,477
Total fund balances	<u>343,093</u>	<u>136,363</u>	<u>479,456</u>
Total liabilities and fund balances	<u>\$ 824,502</u>	<u>\$ 136,363</u>	<u>\$ 960,865</u>

<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
General Improvement	
\$ 759,687	\$ 1,665,853
-	54,699
<u>750,000</u>	<u>750,000</u>
<u>\$ 1,509,687</u>	<u>\$ 2,470,552</u>
\$ 6,911	\$ 488,320
1,999	1,999
<u>30,565</u>	<u>30,565</u>
<u>39,475</u>	<u>520,884</u>
-	477,979
<u>1,470,212</u>	<u>1,471,689</u>
<u>1,470,212</u>	<u>1,949,668</u>
<u>\$ 1,509,687</u>	<u>\$ 2,470,552</u>

Village of Round Lake Beach, Illinois

**Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Year Ended April 30, 2012**

	Special Revenue		
	Motor Fuel Tax	TIF #3	Total
Revenues			
Taxes	\$ -	\$ 93,081	\$ 93,081
Intergovernmental	867,394	-	867,394
Interest	658	41	699
Rental income	-	-	-
Miscellaneous	-	-	-
Total revenues	868,052	93,122	961,174
Expenditures			
Current			
General government	-	-	-
Economic development	-	-	-
Public Works	-	1,358	1,358
Debt service			
Principal	-	-	-
Interest and fiscal services	-	-	-
Bond issue costs	-	-	-
Capital outlay	300,708	214,826	515,534
Total expenditures	300,708	216,184	516,892
Excess (deficiency) of revenues over expenditures	567,344	(123,062)	444,282
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	(350,475)	-	(350,475)
Proceeds from sale of capital assets	-	-	-
Proceeds from capital leases	-	-	-
Total other financing sources (uses)	(350,475)	-	(350,475)
Net change in fund balances	216,869	(123,062)	93,807
Fund balances - beginning	126,224	259,425	385,649
Fund balances - ending	\$ 343,093	\$ 136,363	\$ 479,456

<u>Capital Projects General Improvement</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 276,899	\$ 369,980
50,000	917,394
254	953
85,620	85,620
5,483	5,483
<u>418,256</u>	<u>1,379,430</u>
149,038	149,038
11,093	11,093
-	1,358
161,561	161,561
10,324	10,324
-	-
588,790	1,104,324
<u>920,806</u>	<u>1,437,698</u>
<u>(502,550)</u>	<u>(58,268)</u>
1,095,578	1,095,578
-	(350,475)
-	-
120,012	120,012
<u>1,215,590</u>	<u>865,115</u>
713,040	806,847
757,172	1,142,821
<u>\$ 1,470,212</u>	<u>\$ 1,949,668</u>

Village of Round Lake Beach, Illinois

Special Revenue Funds

Schedules of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2012

	TIF #2 Fund		Motor Fuel Tax Fund	
	Original and Final Budget	Actual	Original and Final Budget	Actual
Revenues				
Taxes	\$ 2,200,000	\$ 2,136,982	\$ -	\$ -
Intergovernmental				
Allotments from state of Illinois	-	-	675,000	816,344
Federal subsidy	-	-	51,049	51,050
Interest on investments	1,800	271	3,000	658
Use of fund balance	-	-	206,396	-
Total revenues	<u>2,201,800</u>	<u>2,137,253</u>	<u>935,445</u>	<u>868,052</u>
Expenditures				
Current				
Economic development	2,201,800	2,137,842	-	-
Public Works	-	-	-	-
Interest and fiscal services	-	-	-	-
Capital outlay	-	-	584,970	300,708
Total expenditures	<u>2,201,800</u>	<u>2,137,842</u>	<u>584,970</u>	<u>300,708</u>
Excess (deficiency) of revenues over expenditures	-	(589)	350,475	567,344
Other financing uses				
Transfer out	-	-	(350,475)	(350,475)
Total other financing uses	<u>-</u>	<u>-</u>	<u>(350,475)</u>	<u>(350,475)</u>
Net change in fund balance	<u>\$ -</u>	<u>(589)</u>	<u>\$ -</u>	<u>216,869</u>
Fund balance - beginning		<u>589</u>		<u>126,224</u>
Fund balance - ending		<u>\$ -</u>		<u>\$ 343,093</u>

TIF #3 Fund	
Original and Final Budget	Actual
\$ 110,000	\$ 93,081
-	-
-	-
100	41
214,900	-
<u>325,000</u>	<u>93,122</u>
-	-
-	1,358
-	-
325,000	214,826
<u>325,000</u>	<u>216,184</u>
-	(123,062)
-	-
-	-
<u>\$ -</u>	<u>(123,062)</u>
	<u>259,425</u>
	<u>\$ 136,363</u>

Village of Round Lake Beach, Illinois

Debt Service Funds

Schedules of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2012

	TIF #1 Debt Service Fund		G.O. Bond Debt Service Fund	
	Original and Final Budget	Actual	Original and Final Budget	Actual
Revenues				
Taxes	\$ -	\$ 119,446	\$ 1,415,000	\$ 1,415,000
Intergovernmental	793,717	1,370,647	63,442	63,442
Interest on investments	4,200	20,068	2,428	509
Total revenues	797,917	1,510,161	1,480,870	1,478,951
Expenditures				
Debt service				
Principal	495,000	495,000	1,165,000	1,220,000
Interest and fiscal services	74,843	74,028	862,928	807,497
Bond issue costs	-	-	-	104,041
Total expenditures	569,843	569,028	2,027,928	2,131,538
Excess (deficiency) of revenues over expenditures	228,074	941,133	(547,058)	(652,587)
Other financing sources (uses)				
Transfer in	-	-	547,058	547,058
Transfer out	(228,074)	(1,847,232)	-	-
Bond issuance	-	-	-	3,815,000
Bond premium	-	-	-	217,776
Transfer to escrow	-	-	-	(3,921,176)
Total other financing sources (uses)	(228,074)	(1,847,232)	547,058	658,658
Net change in fund balance	\$ -	(906,099)	\$ -	6,071
Fund balance - beginning		2,173,596		2,788,586
Fund balance - ending		\$ 1,267,497		\$ 2,794,657

Village of Round Lake Beach, Illinois

Capital Projects Funds

Schedules of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2012

	TIF #1 Capital Project Fund		Bond Capital Projects Fund	
	Original and Final Budget	Actual	Original and Final Budget	Actual
Revenues				
Capital projects				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	90,000	86,000
Rental income	-	-	-	-
Interest on investments	8,500	1,095	15,000	1,961
Miscellaneous	-	-	-	-
Use of fund balance	3,417,426	-	2,856,000	-
Total revenues	3,425,926	1,095	2,961,000	87,961
Expenditures				
Current				
General government	-	-	-	-
Economic development	5,000	4,167	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal services	-	-	-	-
Capital outlay	3,649,000	5,200,549	2,961,000	2,417,193
Total expenditures	3,654,000	5,204,716	2,961,000	2,417,193
Excess (deficiency) of revenues over expenditures	(228,074)	(5,203,621)	-	(2,329,232)
Other financing sources				
Transfer in	228,074	1,847,232	-	-
Transfer out	-	(2,518,692)	-	-
Proceeds from capital leases	-	-	-	-
Total other financing sources	228,074	(671,460)	-	-
Net change in fund balance	<u>\$ -</u>	<u>(5,875,081)</u>	<u>\$ -</u>	<u>(2,329,232)</u>
Fund balance - beginning		4,005,321		3,465,176
Fund balance - ending		<u>\$ (1,869,760)</u>		<u>\$ 1,135,944</u>

General Improvement Fund		
Original and Final Budget	Actual	
\$ 284,000	\$ 276,899	
50,000	50,000	
79,142	85,620	
2,000	254	
30,000	5,483	
-	-	
<u>445,142</u>	<u>418,256</u>	
104,678	149,038	
-	11,093	
-	161,561	
-	10,324	
<u>340,464</u>	<u>588,790</u>	
<u>445,142</u>	<u>920,806</u>	
-	(502,550)	
-	1,095,578	
-	-	
-	<u>120,012</u>	
-	<u>1,215,590</u>	
<u>\$ -</u>	713,040	
	<u>757,172</u>	
	<u>\$ 1,470,212</u>	

Village of Round Lake Beach, Illinois

Waterworks and Sewerage Fund

Schedule of Revenues, Expenses and Changes in Net Assets
 - Budget and Actual
 Year Ended April 30, 2012

	Original and Final Budget	Actual
Operating revenues		
Charges for services	\$ 4,485,950	\$ 6,126,819
Tap on fees	87,000	305,675
Total operating revenues	<u>4,572,950</u>	<u>6,432,494</u>
Operating expenses		
Administration	901,872	903,896
Operations	4,117,531	4,976,290
Total operating expenses	<u>5,019,403</u>	<u>5,880,186</u>
Operating income (loss) before depreciation	(446,453)	552,308
Depreciation	-	641,679
Operating loss	<u>(446,453)</u>	<u>(89,371)</u>
Nonoperating revenues (expenses)		
Interest income	30,000	457
Interest expense	(50,580)	(50,580)
Grant revenue	92,921	-
Miscellaneous revenue	-	17,333
Total nonoperating revenues (expenses)	<u>72,341</u>	<u>(32,790)</u>
Loss before contributions and transfers	<u>(374,112)</u>	<u>(122,161)</u>
Capital contributions	-	893,977
Transfers	-	1,423,114
	<u>-</u>	<u>2,317,091</u>
Change in net assets	<u>\$ (374,112)</u>	2,194,930
Net assets		
Beginning		<u>15,760,390</u>
Ending		<u>\$ 17,955,320</u>