

**Village of Round Lake Beach, Illinois**

**Annual Financial Report**

**Year ended April 30, 2008**

**Village of Round Lake Beach, Illinois**  
**Annual Financial Report**  
**For the Year Ended April 30, 2008**

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## **Introductory Section**

# VILLAGE OF ROUND LAKE BEACH, ILLINOIS

## TRUSTEES AND OFFICIALS

April 30, 2008

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### LEGISLATIVE

#### VILLAGE BOARD OF TRUSTEES

Richard Hill, Village President

Jerry Mattingly

Gina Miosi

Judy Armstrong

Larry Mount

Susan Butler

Sylvia Valadez

### ADMINISTRATION

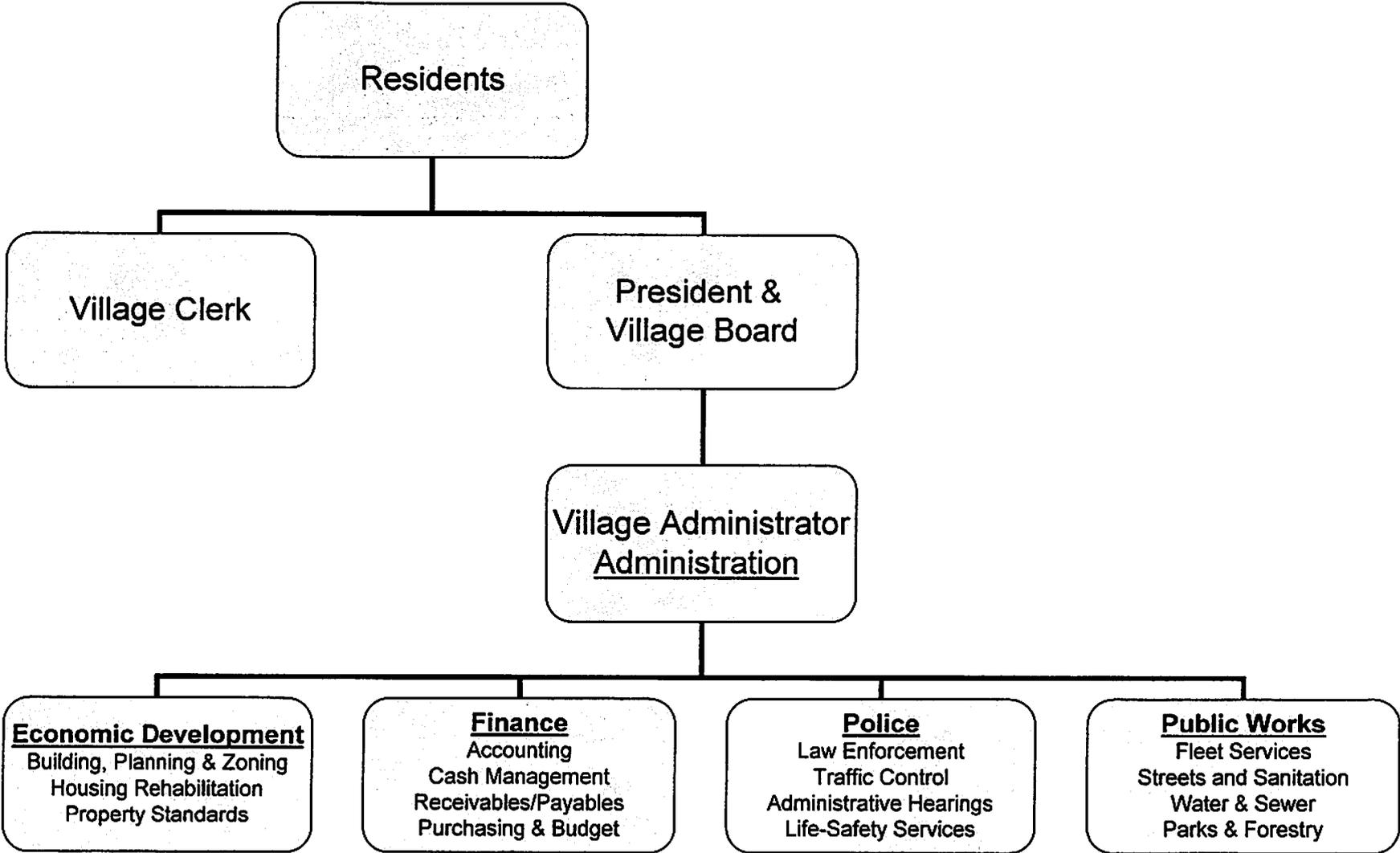
David Kilbane, Village Administrator

### DEPARTMENT OF FINANCE

Patrice Sutton Burger, Finance Director

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# Village of Round Lake Beach



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**Financial Section**

# MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Round Lake Beach, Illinois, as of and for the year ended April 30, 2008, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Police Pension Fund, a pension trust fund included as a fiduciary fund type, whose accounts are included in the basic financial statements. Total assets and revenues of the Police Pension Fund constitute 100% of the assets and revenues of the fiduciary fund types. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Police Pension Fund in the Village's basic financial statements, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Round Lake Beach, Illinois, as of April 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

(Continued)

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

(Continued)

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As stated in Note 15, the Village of Round Lake Beach, Illinois, adopted the infrastructure capital assets acquired prior to April 30, 2005 portion of Governmental Accounting Standards Board (GASB) Statement No. 34 - *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

The management's discussion and analysis on pages 3 through 10, retirement fund historical data, budgetary comparison information, and notes to the required supplementary information on pages 63 through 68 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

MILLER, COOPER & CO., LTD.

  
Certified Public Accountants

Deerfield, Illinois  
November 18, 2008

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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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, 2008. It is intended to be read in conjunction with the financial statements.

### Financial Highlights

- The Village's net assets increased by \$78,308,560 (252.9%) during the fiscal year ended April 30, 2008, because of the implementation of retroactive infrastructure reporting in the amount of \$73,927,988 in compliance with GASB Statement No. 34. Even without the cumulating affect of change in accounting principle, Total Village net assets rose by \$4,380,572 or 14.1%.
- The governmental activities net assets increased by \$76,865,429 (410.6%) to \$95,586,611, including the GASB 34 implementation mentioned above. Aside from the infrastructure asset increase, the net assets rose by \$2,937,441 (15.7%). Business-type activities net assets increased by \$1,443,131 (11.8%) to \$13,685,961.
- The Village reported a combined fund balance of the governmental funds of \$18,014,178, an increase of 6.9% or \$1,163,733.
- The Village's General Fund reported an increase in fund balance of \$568,838 (9.6%).
- Operations funded by the Village's General Fund cost \$742,092 (8.5%) more than in Fiscal Year 2007.
- The Village's General Fund actual revenues exceeded the budgeted amounts by \$570,315 and the actual expenditures were under the budgeted amounts by \$156,950.

### Overview of the Financial Statements

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

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

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

The Village maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the TIF#2 Special Revenue Fund, the TIF#1 Debt Service and Capital Projects Funds, and the Bond Capital Projects Fund. Five other funds are summarized under the heading, "Non-Major Funds." Individual fund data for these funds is provided in the combining statements and schedules on pages 69 – 72.

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 19 - 22.

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

**Notes to the financial statements.** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 - 62.

### **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 \$109,272,572 at the end of close of the most recent fiscal year.

Nearly eighty percent of total net assets is investment in capital assets, net of related debt, while 10.5% is restricted in its use by external sources. The remaining 10.5% is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following table reflects the condensed Statement of Net Assets, comparing April 30, 2008, to April 30, 2007.

### Village of Round Lake Beach – Net Assets

	Governmental Activities		Business-type Activities		Total Government	
	2008	2007	2008	2007	2008	2007
<b>Assets</b>						
Current and Other Assets	\$ 27,347,871	\$ 26,521,442	\$ 7,157,033	\$ 6,503,472	\$ 34,504,904	\$ 33,024,914
Capital Assets	103,637,955	29,448,028	10,761,728	9,538,895	114,399,683	38,986,923
<b>Total Assets</b>	<b>130,985,826</b>	<b>55,969,470</b>	<b>17,918,761</b>	<b>16,042,367</b>	<b>148,904,587</b>	<b>72,011,837</b>
<b>Liabilities</b>						
Current Liabilities	9,119,009	9,419,848	1,779,559	1,318,894	10,898,568	10,738,742
Long-term Liabilities	26,280,206	27,828,440	2,453,241	2,480,643	28,733,447	30,309,083
<b>Total Liabilities</b>	<b>35,399,215</b>	<b>37,248,288</b>	<b>4,232,800</b>	<b>3,799,537</b>	<b>39,632,015</b>	<b>41,047,825</b>
<b>Net Assets</b>						
Invested in Capital Assets, Net of Debt	77,890,585	2,038,870	8,381,253	7,128,310	86,271,838	9,167,180
Restricted	11,546,504	10,951,891	-	-	11,546,504	10,951,891
Unrestricted	6,149,522	5,730,421	5,304,708	5,114,520	11,454,230	10,844,941
<b>Total Net Assets</b>	<b>\$ 95,586,611</b>	<b>\$ 18,721,182</b>	<b>\$ 13,685,961</b>	<b>\$ 12,242,830</b>	<b>\$ 109,272,572</b>	<b>\$ 30,964,012</b>

A good portion of the significant increase in the Governmental Activities capital assets position is attributable to the GASB 34 prior period adjustment described in Note 15 on page 62.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following table shows the revenues and expenses of the Village's activities, broken out by type, comparing Fiscal Year 2008 to Fiscal Year 2007.

### Village of Round Lake Beach Changes in Net Assets for the Fiscal Years ended April 30, 2008 and 2007

	Governmental Activities		Business-type Activities		Total Government	
	2008	2007	2008	2007	2008	2007
<b>Revenues</b>						
Program Revenues						
Charges for Service	\$ 1,186,714	\$ 1,329,494	\$ 4,054,168	\$ 3,850,617	\$ 5,240,882	\$ 5,180,111
Operating Grants	770,684	801,579	-	-	770,684	801,579
Capital Grants/Contributions	429,400	132,520	1,343,479	533,020	1,772,879	665,540
Taxes						
Property Taxes	5,553,661	4,978,106	-	-	5,553,661	4,978,106
Sales Taxes	5,038,842	5,145,774	-	-	5,038,842	5,145,774
Other Revenue	5,973,610	5,693,907	270,738	269,722	6,244,348	5,963,629
<b>Total Revenues</b>	<b>18,952,911</b>	<b>18,081,380</b>	<b>5,668,385</b>	<b>4,653,359</b>	<b>24,621,296</b>	<b>22,734,739</b>
<b>Expenses</b>						
General government	1,641,657	1,345,676	-	-	1,641,657	1,345,676
Public safety	5,873,764	5,328,230	-	-	5,873,764	5,328,230
Community development	4,600,991	3,329,444	-	-	4,600,991	3,329,444
Public works	2,673,457	1,912,013	-	-	2,673,457	1,912,013
Debt Service	1,225,601	1,549,744	-	-	1,225,601	1,549,744
Water	-	-	4,225,254	4,056,848	4,225,254	4,056,848
<b>Total Expenses</b>	<b>16,015,470</b>	<b>13,465,107</b>	<b>4,225,254</b>	<b>4,056,848</b>	<b>20,240,724</b>	<b>17,521,955</b>
<b>Excess (Deficiency)</b>	<b>2,937,441</b>	<b>4,616,273</b>	<b>1,443,131</b>	<b>596,511</b>	<b>4,380,572</b>	<b>5,212,784</b>
<b>Net Assets</b>						
Beginning of Year	18,721,182	14,634,115	12,242,830	11,646,319	30,964,012	26,280,434
Prior Period Adjustment	73,927,988	(529,206)	-	-	73,927,988	(529,206)
<b>Total Net Assets - End of Year</b>	<b>\$ 95,586,611</b>	<b>\$ 18,721,182</b>	<b>\$ 13,685,961</b>	<b>\$ 12,242,830</b>	<b>\$ 109,272,572</b>	<b>\$ 30,964,012</b>

In the governmental activities, total revenues increased by \$871,531 (4.8%). While the other revenue categories under governmental activities increased, charges for service declined by \$142,780 (10.7%). Licenses and permits were down by 28.3% (\$157,138), which was the main contributor to the decline. Taxes play an important role in the Village's revenue structure. Sales tax, including the municipal share of the state income tax along with the home rules sales tax, declined for the first time in several years, decreasing \$106,932 or 2.1%. The "Other Revenue" category, which includes income tax, utility taxes, amusement tax, use tax, and investment income, along with other miscellaneous income, grew by 4.9% over Fiscal Year 2007, by \$279,703.

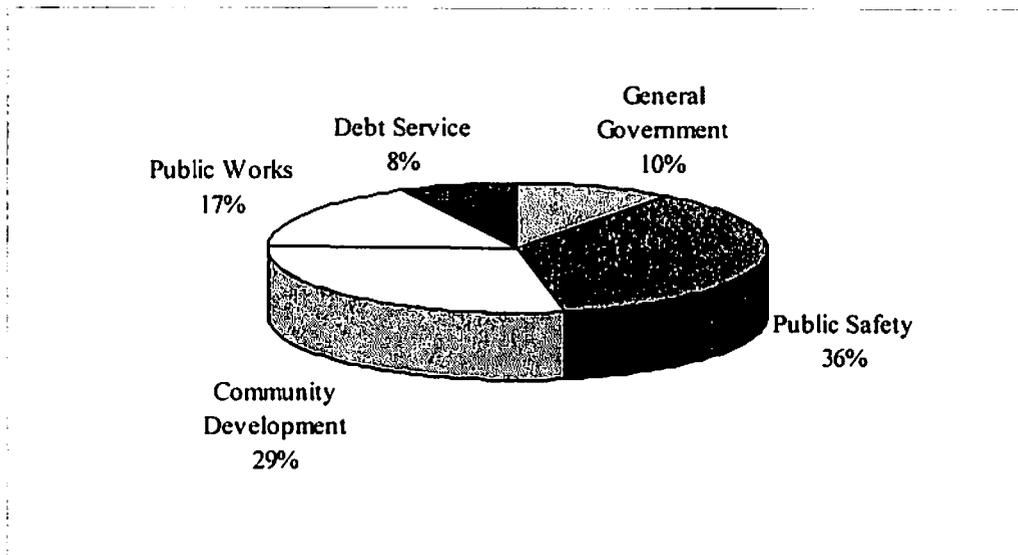
Governmental activity expenses increased by \$2,550,363 over Fiscal Year 2007, or 18.9%. Health insurance costs increased by \$150,293 (22.2%) for all operating departments. Rising personnel costs contributed to the increase as well.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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The breakdown of expenses 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 by 21.8%, due in large part to higher capital contributions. Charges for service increased by 5.3% or \$203,551, due to higher water consumption. Rates for water and sewer service stayed the same in Fiscal Year 2008 as Fiscal Year 2007. The Village incurred \$4,225,254 in expenses, an increase of \$168,406 (4.2%) over Fiscal Year 2007. Rising personnel and health insurance costs drove the increase. Total net assets in the Waterworks and Sewerage Fund (the Village's only business-type activity) increased by 11.8%.

### **Financial Analysis of the Village's Funds**

**Governmental Funds.** The focus of the Village's governmental funds statements on pages 14 - 17 is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unreserved fund balance may serve as the useful measure of a government's net resources available for spending at the end of the fiscal year. At April 30, 2008, the governmental funds reported a combined fund balance of \$18,014,178, which is a 6.9% increase over Fiscal Year 2007. The biggest increase in fund balance occurred in the TIF#1 Capital Projects fund, which increased by 62.0%. This is due to the timing of the capital improvement projects in this fund which are large in scale and span several fiscal years.

Of the total fund balance \$6,037,001 is unreserved, meaning that it is available for ongoing Village services. The unreserved fund balance increased by \$639,063 (11.8%) over Fiscal Year 2007. This increase is due primarily to higher-than-budgeted revenues and lower-than-budgeted expenditures. Of the remaining fund balance, \$3,281,032 is reserved for capital projects and street improvements; \$5,902,152 is reserved for economic development; \$2,363,320 is reserved for debt service; \$3,796 is reserved for prepaid expenses; and \$426,877 is reserved for property held for resale.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

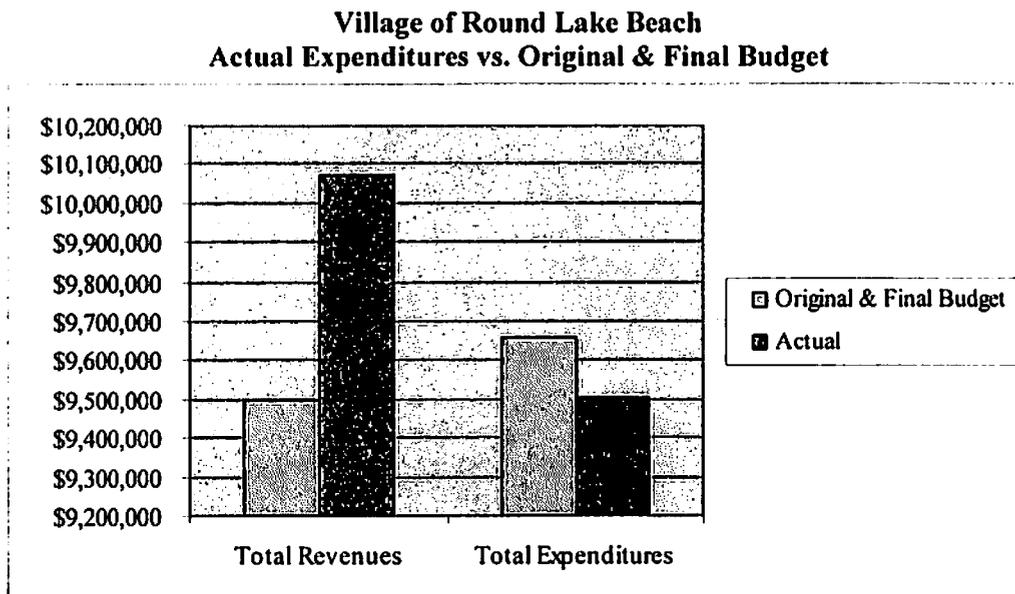
The General Fund is the Village's primary operating fund and the largest source of day-to-day service delivery. The General Fund increased by \$568,838 or 9.6%, thanks to higher than expected revenues and ongoing cost containment.

### General Fund Budgetary Highlights

The General Fund actual revenues were greater than the original budgeted revenues by \$570,315 for Fiscal Year 2008. Revenue sources that exceeded the budgeted amounts significantly include telecommunications tax (\$161,095 surplus), income tax (\$581,015 surplus), and police fines (\$107,597).

The General Fund's total actual expenditures were \$156,950 under the General Fund budgeted amount of \$9,658,859. The Police Department's actual expenditures were \$99,350 under budget, while the Public Works Department was \$110,502 under budget. Neither the Police Department nor Public Works Department was fully staffed at authorized strength during Fiscal Year 2008, causing personnel-related expenditures to be under budget by \$236,652 in those departments.

The following chart highlights actual performance against the budget.



### 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, 2008, amounts to \$114,399,683 (see Notes 5 and 15). This is a \$75,412,760 (193.4%) increase over Fiscal Year 2007. The significant increase is due primarily to the implementation of retroactive reporting of all infrastructure assets in compliance with GASB Statement No. 34.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

	Governmental Activities		Business-type Activities		Total Government	
	2008	2007	2008	2007	2008	2007
Land	\$ 5,361,380	\$ 5,249,414	\$ 79,258	\$ 79,258	\$ 5,440,638	\$ 5,328,672
Buildings	9,843,508	10,122,841	332,803	345,859	10,176,311	10,468,700
Wells and pumping stations	-	-	499,732	403,117	499,732	403,117
Sewer and water system	-	-	9,477,896	8,489,086	9,477,896	8,489,086
Infrastructure	81,110,304	6,437,618	-	-	81,110,304	6,437,618
Equipment, furniture, vehicles	1,053,439	1,055,744	172,018	203,629	1,225,457	1,259,373
Land improvements	1,729,556	967,449	-	-	1,729,556	967,449
Construction in progress	4,539,768	5,614,962	200,021	17,946	4,739,789	5,632,908
<b>Total Net Assets</b>	<b>\$ 103,637,955</b>	<b>\$ 29,448,028</b>	<b>\$ 10,761,728</b>	<b>\$ 9,538,895</b>	<b>\$ 114,399,683</b>	<b>\$ 38,986,923</b>

### Debt Outstanding

The Village had a total of \$28,733,447 in debt outstanding as of April 30, 2008. This is a \$1,575,636 (5.2%) decrease over last year. No new bonds were issued and all obligations decreased, with the exception of the net pension obligation, which increased by \$131,605 (90.3%).

Under the 1970 Illinois Constitution, there is no legal debt limit for home rule municipalities except as set by the General Assembly. If the Village were subject to such a limitation, outstanding indebtedness could not exceed 8.625% of equalized assessed valuation. Currently, the Village's direct bonded debt of \$16,035,000 represents 3.74% of the Village's equalized assessed valuation of \$428,218,569.

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

### The Village of Round Lake Beach Debt Outstanding as of April 30, 2008 and April 30, 2007

	Governmental Activities		Business-type Activities		Total Government	
	2008	2007	2008	2007	2008	2007
General Obligation Bonds	\$ 16,035,000	\$ 16,640,000	\$ -	\$ -	\$ 16,035,000	\$ 16,640,000
TIF Revenue Bonds	4,215,000	5,010,000	-	-	4,215,000	5,010,000
Incremental sales tax revenue notes payable	5,404,337	5,568,968	-	-	5,404,337	5,568,968
Leases payable	93,033	190,190	-	-	93,033	190,190
Compensated absences	255,533	273,584	72,766	70,058	328,299	343,642
Net pension obligations	277,303	145,698	-	-	277,303	145,698
Illinois EPA loan payable	-	-	2,380,475	2,410,585	2,380,475	2,410,585
<b>Total Outstanding Debt</b>	<b>\$ 26,280,206</b>	<b>\$ 27,828,440</b>	<b>\$ 2,453,241</b>	<b>\$ 2,480,643</b>	<b>\$ 28,733,447</b>	<b>\$ 30,309,083</b>

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### **Economic Factors and Next Year's Budget**

The Village's tax base increased by 8.8% this past fiscal year and is expected to remain at about the existing level for the 2008 tax levy. However, the current economic outlook is for decreasing sales tax and income tax revenues for the upcoming year, which fund a significant portion of Village operations. The unemployment rate for April 2008 in Round Lake Beach was 8.5%. The current economy has led to renewed commitment to cost containment and suspension of any uncommitted major expenditures.

The budget for Fiscal Year 2009 includes a total in all funds of \$30,890,009 in revenues and \$30,890,009 in expenditures. The Fiscal Year 2009 Village-wide budget is a 7.51% increase over the Fiscal Year 2008 expenditure budget. This is due in large part to the capital improvements plan. Just over \$8,500,000 has been budgeted in the Fiscal Year 2009 budget compared to \$5,600,000 in Fiscal Year 2008.

### **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.

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**Basic Financial Statements**

**Village of Round Lake Beach, Illinois**  
**STATEMENT OF NET ASSETS**  
April 30, 2008

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and investments	\$ 17,548,120	\$ 5,729,488	\$ 23,277,608
Receivables			
Property taxes	6,150,066	-	6,150,066
Accounts	-	1,362,413	1,362,413
Other	366,466	57,604	424,070
Prepaid expenses	3,796	7,528	11,324
Due from other governments	2,349,265	-	2,349,265
Property held for resale	426,877	-	426,877
Deferred bond issuance costs	503,281	-	503,281
Capital assets			
Capital assets not being depreciated	9,901,148	279,279	10,180,427
Capital assets (net of accumulated depreciation)	<u>93,736,807</u>	<u>10,482,449</u>	<u>104,219,256</u>
Total assets	<u>130,985,826</u>	<u>17,918,761</u>	<u>148,904,587</u>
<b>LIABILITIES</b>			
Accounts payable	1,530,707	267,053	1,797,760
Sewer fees payable to Lake County	-	739,991	739,991
Accrued payroll	161,505	31,651	193,156
Accrued interest payable	288,597	-	288,597
Other payables and accrued liabilities	586,148	13,646	599,794
Note payable	401,986	-	401,986
Refundable deposits	-	727,218	727,218
Unearned revenue	6,150,066	-	6,150,066
Noncurrent liabilities			
Due within one year	2,025,790	182,718	2,208,508
Due in more than one year	<u>24,254,416</u>	<u>2,270,523</u>	<u>26,524,939</u>
Total liabilities	<u>35,399,215</u>	<u>4,232,800</u>	<u>39,632,015</u>
<b>NET ASSETS</b>			
Investment in capital assets, net of related debt	77,890,585	8,381,253	86,271,838
Restricted for economic development	5,132,724	-	5,132,724
Restricted by enabling legislation	6,413,781	-	6,413,781
Unrestricted	<u>6,149,521</u>	<u>5,304,708</u>	<u>11,454,229</u>
Total net assets	<u>\$ 95,586,611</u>	<u>\$ 13,685,961</u>	<u>\$ 109,272,572</u>

The accompanying notes are an integral part of this statement.

**Village of Round Lake Beach, Illinois**  
**STATEMENT OF ACTIVITIES**  
For the year ended April 30, 2008

<u>Functions/Programs</u>	Program Revenues			
	Expenses	Charges for Services	Operating Grants	Capital Grants and Contributions
Governmental activities:				
General government	\$ 1,641,657	\$ 414,748	\$ -	\$ -
Public safety	5,873,764	559,366	23,757	-
Community development	4,600,991	212,600	-	429,400
Public works	2,673,457	-	746,927	-
Debt service	1,225,601	-	-	-
Total governmental activities	<u>16,015,470</u>	<u>1,186,714</u>	<u>770,684</u>	<u>429,400</u>
Business-type activities:				
Waterworks and sewerage	<u>4,225,254</u>	<u>4,054,168</u>	<u>-</u>	<u>1,343,479</u>
Total business-type activities	<u>4,225,254</u>	<u>4,054,168</u>	<u>-</u>	<u>1,343,479</u>
<b>Total</b>	<u><u>\$ 20,240,724</u></u>	<u><u>\$ 5,240,882</u></u>	<u><u>\$ 770,684</u></u>	<u><u>\$ 1,772,879</u></u>

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

Total general revenues

Change in net assets

Net assets - beginning

Restatement - see Note 15

Net assets - restated

Net assets - ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-type Activities	Total
\$ (1,226,909)	\$ -	\$ (1,226,909)
(5,290,641)	-	(5,290,641)
(3,958,991)	-	(3,958,991)
(1,926,530)	-	(1,926,530)
(1,225,601)	-	(1,225,601)
<u>(13,628,672)</u>	<u>-</u>	<u>(13,628,672)</u>
<u>-</u>	<u>1,172,393</u>	<u>1,172,393</u>
<u>-</u>	<u>1,172,393</u>	<u>1,172,393</u>
<u>(13,628,672)</u>	<u>1,172,393</u>	<u>(12,456,279)</u>
5,553,661	-	5,553,661
1,097,934	-	1,097,934
946,169	-	946,169
968,931	-	968,931
301,427	-	301,427
2,431,015	-	2,431,015
3,940,908	-	3,940,908
362,571	-	362,571
19,441	-	19,441
798,407	268,778	1,067,185
145,649	1,960	147,609
<u>16,566,113</u>	<u>270,738</u>	<u>16,836,851</u>
<u>2,937,441</u>	<u>1,443,131</u>	<u>4,380,572</u>
18,721,182	12,242,830	30,964,012
<u>73,927,988</u>	<u>-</u>	<u>73,927,988</u>
<u>92,649,170</u>	<u>12,242,830</u>	<u>104,892,000</u>
<u>\$ 95,586,611</u>	<u>\$ 13,685,961</u>	<u>\$ 109,272,572</u>

## Village of Round Lake Beach, Illinois

### BALANCE SHEET

Governmental Funds

April 30, 2008

	<u>General</u>	<u>TIF #2 Special Revenue</u>	<u>TIF #1 Debt Service</u>	<u>TIF #1 Capital Projects</u>
<b>ASSETS</b>				
Cash and investments	\$ 5,381,568	\$ 1,313	\$ 1,492,041	\$ 4,330,001
Receivables				
Property taxes	2,213,890	1,930,735	1,891,176	-
Other	269,149	-	19,897	-
Due from other governments	1,238,397	-	356,058	-
Due from other funds	28,642	-	-	-
Prepaid expenses	3,796	-	-	-
Property held for resale	426,877	-	-	-
	<u>9,562,319</u>	<u>1,932,048</u>	<u>3,759,172</u>	<u>4,330,001</u>
Total assets	<u>\$ 9,562,319</u>	<u>\$ 1,932,048</u>	<u>\$ 3,759,172</u>	<u>\$ 4,330,001</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 232,170	\$ -	\$ 340	\$ 260,343
Accrued payroll	160,479	-	-	-
Due to other funds	-	-	-	-
Deposits payable	60,336	-	-	-
Retention payable	-	-	-	112,227
Unearned revenue	2,213,890	1,930,735	1,891,176	-
Note payable	401,986	-	-	-
	<u>3,068,861</u>	<u>1,930,735</u>	<u>1,891,516</u>	<u>372,570</u>
Total liabilities	<u>3,068,861</u>	<u>1,930,735</u>	<u>1,891,516</u>	<u>372,570</u>
<b>Fund balances</b>				
Reserved for capital projects	-	-	-	-
Reserved for streets and highways	-	-	-	-
Reserved for economic development	-	1,313	1,867,656	3,957,431
Reserved for debt service	25,784	-	-	-
Reserved for prepaid expenses	3,796	-	-	-
Reserved for property held for resale	426,877	-	-	-
Unreserved - general fund	6,037,001	-	-	-
	<u>6,493,458</u>	<u>1,313</u>	<u>1,867,656</u>	<u>3,957,431</u>
Total fund balances	<u>6,493,458</u>	<u>1,313</u>	<u>1,867,656</u>	<u>3,957,431</u>
Total liabilities and fund balances	<u>\$ 9,562,319</u>	<u>\$ 1,932,048</u>	<u>\$ 3,759,172</u>	<u>\$ 4,330,001</u>

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

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

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

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

Net assets of governmental activities

The accompanying notes are an integral part of this statement.

Bond Capital Projects	Nonmajor Funds	Governmental Funds
\$ 2,072,754	\$ 4,270,443	\$ 17,548,120
-	114,265	6,150,066
-	77,420	366,466
-	754,810	2,349,265
-	-	28,642
-	-	3,796
-	-	426,877
<u>\$ 2,072,754</u>	<u>\$ 5,216,938</u>	<u>\$ 26,873,232</u>

\$ 849,498	\$ 188,356	\$ 1,530,707
-	1,026	161,505
-	28,642	28,642
-	999	61,335
377,610	34,976	524,813
-	114,265	6,150,066
-	-	401,986
<u>1,227,108</u>	<u>368,264</u>	<u>8,859,054</u>

845,646	1,211,170	2,056,816
-	1,224,217	1,224,217
-	75,752	5,902,152
-	2,337,536	2,363,320
-	-	3,796
-	-	426,877
-	-	6,037,001
<u>845,646</u>	<u>4,848,675</u>	<u>18,014,179</u>
<u>\$ 2,072,754</u>	<u>\$ 5,216,939</u>	

103,637,955

503,281

(26,568,803)

\$ 95,586,612

**Village of Round Lake Beach, Illinois**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
 Governmental Funds  
**STATEMENT OF ACTIVITIES**  
 For the year ended April 30, 2008

	General	TIF #2 Special Revenue	TIF #1 Debt Service	TIF #1 Capital Projects
<b>Revenues</b>				
Taxes	\$ 3,859,730	\$ 1,720,390	\$ 1,547,855	\$ -
Intergovernmental	4,874,692	-	1,853,649	75,000
Licenses and permits	397,245	-	-	-
Fines	497,485	-	-	-
Charges for services	177,682	-	-	-
Interest	191,956	48,247	127,185	140,974
Rental income	-	-	-	-
Miscellaneous	71,957	-	-	-
<b>Total revenues</b>	<u>10,070,747</u>	<u>1,768,637</u>	<u>3,528,689</u>	<u>215,974</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	1,183,358	-	-	-
Public safety	5,711,290	-	-	-
Public works	1,489,883	-	-	-
Economic development	768,849	1,769,288	-	58,085
<b>Debt service</b>				
Principal	230,331	-	795,000	96,471
Interest	118,198	-	210,075	10,335
Bond issue costs	-	-	741	-
Fiscal agent fees	-	-	3,000	-
<b>Capital outlay</b>	-	-	-	997,107
<b>Total expenditures</b>	<u>9,501,909</u>	<u>1,769,288</u>	<u>1,008,816</u>	<u>1,161,998</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>568,838</u>	<u>(651)</u>	<u>2,519,873</u>	<u>(946,024)</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	2,460,013
Transfers out	-	-	(2,460,013)	-
Capital leases	-	-	-	-
Proceeds from sale of equipment	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(2,460,013)</u>	<u>2,460,013</u>
<b>Net change in fund balances</b>	568,838	(651)	59,860	1,513,989
<b>Fund balances - beginning of year</b>	<u>5,924,620</u>	<u>1,964</u>	<u>1,807,796</u>	<u>2,443,442</u>
<b>Fund balances - end of year</b>	<u>\$ 6,493,458</u>	<u>\$ 1,313</u>	<u>\$ 1,867,656</u>	<u>\$ 3,957,431</u>

The accompanying notes are an integral part of this statement.

	Bond Capital Projects	Nonmajor Funds	Total Governmental Funds
\$	-	\$ 1,740,147	\$ 8,868,122
	7,500	1,135,178	7,946,019
	-	-	397,245
	-	-	497,485
	-	43,794	221,476
	140,704	149,341	798,407
	-	47,733	47,733
	-	104,467	176,424
	<u>148,204</u>	<u>3,220,660</u>	<u>18,952,911</u>
	-	118,176	1,301,534
	-	-	5,711,290
	-	-	1,489,883
	-	22,616	2,618,838
	-	605,000	1,726,802
	-	676,855	1,015,463
	-	5,811	6,552
	-	1,950	4,950
	<u>1,718,052</u>	<u>1,257,446</u>	<u>3,972,605</u>
	<u>1,718,052</u>	<u>2,687,854</u>	<u>17,847,917</u>
	<u>(1,569,848)</u>	<u>532,806</u>	<u>1,104,994</u>
	-	-	2,460,013
	-	-	(2,460,013)
	-	41,427	41,427
	-	17,313	17,313
	<u>-</u>	<u>58,740</u>	<u>58,740</u>
	<u>(1,569,848)</u>	<u>591,546</u>	<u>1,163,734</u>
	<u>2,415,494</u>	<u>4,257,129</u>	<u>16,850,445</u>
\$	<u><u>845,646</u></u>	<u><u>4,848,675</u></u>	<u><u>18,014,179</u></u>

**Village of Round Lake Beach, Illinois**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**STATEMENT OF ACTIVITIES**

---

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

Net change in fund balances - total governmental funds	\$	1,163,734
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense and loss on disposal in the current period.		261,939
The repayment of the principal of long-term debt and capital leases consumes the current financial resources of governmental funds. These transactions, however, have no effect on net assets.		1,865,385
The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net assets.		(41,426)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		<u>(312,190)</u>
Change in net assets of governmental activities	\$	<u><u>2,937,442</u></u>

The accompanying notes are an integral part of this statement.

**Village of Round Lake Beach, Illinois**  
**STATEMENT OF NET ASSETS**  
Proprietary Fund - Waterworks and Sewerage  
April 30, 2008

**ASSETS**

Current assets

Cash and investments	\$	5,729,488
Receivables		
Accounts - billed		134,526
Accounts - unbilled		1,227,887
Accounts - other		57,604
Prepaid expenses		7,528
Total current assets		7,157,033

Noncurrent assets

Capital assets not being depreciated		279,279
Capital assets, net of accumulated depreciation		10,482,449
Total noncurrent assets		10,761,728
Total assets		17,918,761

**LIABILITIES**

Current liabilities

Accounts payable		267,053
Sewer fees payable to Lake County		739,991
Accrued payroll		31,651
Compensated absences payable		72,766
Retention payable		13,646
Refundable deposits		727,218
Current portion of loan payable		109,952
Total current liabilities		1,962,277

Long-term liabilities

Loan payable		2,270,523
Total liabilities		4,232,800

**NET ASSETS**

Invested in capital assets, net of related debt		8,381,253
Unrestricted		5,304,708
Total net assets	\$	13,685,961

The accompanying notes are an integral part of this statement.

**Village of Round Lake Beach, Illinois**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**Proprietary Fund - Waterworks and Sewerage Fund**  
**For the year ended April 30, 2008**

<hr/>	
Operating revenues	
Charges for services	\$ 3,767,774
Tap on fees	<u>286,394</u>
Total operating revenues	<u>4,054,168</u>
Operating expenses excluding depreciation	
Administration	754,267
Operations	<u>2,963,362</u>
Total operating expenses before depreciation	<u>3,717,629</u>
Operating income before depreciation	336,539
Depreciation	<u>442,774</u>
Operating loss	<u>(106,235)</u>
Nonoperating revenues (expenses)	
Interest income	268,778
Interest expense	(64,581)
Miscellaneous revenue	1,960
Other expense	<u>(270)</u>
	<u>205,887</u>
Income before contributions and transfers	99,652
Contributions and transfers	
Capital contributions	<u>1,343,479</u>
Change in net assets	1,443,131
Net assets	
May 1	<u>12,242,830</u>
April 30	<u><u>\$ 13,685,961</u></u>

The accompanying notes are an integral part of this statement.

## Village of Round Lake Beach, Illinois

### STATEMENT OF CASH FLOWS Proprietary Fund - Water and Sewer Fund For the year ended April 30, 2008

---

Cash flows from operating activities	
Receipts from customers and users	\$ 3,978,859
Payments to suppliers	(2,505,112)
Payments to employees	<u>(745,047)</u>
Net cash provided by operating activities	<u>728,700</u>
Cash flows from capital and related financing activities	
Capital assets purchased	(322,128)
Proceeds from loan payable	61,752
Repayments on loan payable	(91,862)
Interest paid on capital debt	<u>(64,581)</u>
Net cash used in capital and related financing activities	<u>(416,819)</u>
Cash flows from investing activities	
Purchases of investments	(6,121,555)
Sales of investments	6,089,913
Interest income	<u>268,778</u>
Net cash provided by investing activities	<u>237,136</u>
Net increase in cash and cash equivalents	549,017
Cash and cash equivalents	
Beginning of year	<u>4,435,647</u>
End of year	\$ <u><u>4,984,664</u></u>
Cash and cash equivalents	4,984,664
Investments	<u>744,824</u>
Total cash and investments	\$ <u><u>5,729,488</u></u>

The accompanying notes are an integral part of this statement.

(Continued)

## Village of Round Lake Beach, Illinois

### STATEMENT OF CASH FLOWS Proprietary Fund - Water and Sewer Fund For the year ended April 30, 2008

---

Cash flows from operating activities	
Operating loss	\$ (106,235)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation	442,774
Other income	1,960
Other expense	(270)
Changes in assets and liabilities	
Accounts receivable	(77,269)
Prepaid expenses	4,367
Accounts payable	95,278
Sewer fees payable to Lake County	340,166
Refundable deposits	5,063
Retention payable	13,646
Accrued payroll	6,512
Compensated absences payable	<u>2,708</u>
Net cash provided by operating activities	\$ <u><u>728,700</u></u>

The accompanying notes are an integral part of this statement.

# Village of Round Lake Beach, Illinois

## Police Pension Fund Statement of Fiduciary Plan Net Assets April 30, 2008

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### ASSETS

Cash	\$	475,399
Interest receivable		54,508
Prepaid insurance		<u>2,247</u>
		<u>532,154</u>
Investments, at fair value		
U.S. Government obligations		4,657,843
Insurance company contracts		1,304,052
Mutual funds		<u>4,398,647</u>
		<u>10,360,542</u>
Total assets		10,892,696

### LIABILITIES

Accrued expenses		<u>2,284</u>
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### NET PLAN ASSETS

Plan net assets held in trust for pension benefits	\$	<u><u>10,890,412</u></u>
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The accompanying notes are an integral part of this statement.

**Village of Round Lake Beach, Illinois**  
**Police Pension Fund**  
**Statement of Changes in Fiduciary Plan Net Assets**  
**For the Year Ended April 30, 2008**

<hr/>	
Contributions	
Employer	\$ 601,521
Employee	<u>259,420</u>
Total contributions	<u>860,941</u>
Investment income	
Net decrease in fair value of investments	(353,739)
Interest, net	<u>593,520</u>
	239,781
Less: Investment expenses	<u>34,535</u>
Net investment income	<u>205,246</u>
Total Additions	<u>1,066,187</u>
Deductions	
Benefits and refunds	571,156
Administration	<u>71,737</u>
Total deductions	<u>642,893</u>
Net increase	423,294
Plan net assets held in trust for pension benefits	
Beginning of year	<u>10,467,118</u>
End of year	<u><u>\$ 10,890,412</u></u>

The accompanying notes are an integral part of this statement.

# Village of Round Lake Beach, Illinois

## Notes to the Financial Statements

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April 30, 2008

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# Village of Round Lake Beach, Illinois

## Notes to the Financial Statements

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(Concluded)

# Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2008

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## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The more significant of the Village's accounting policies are described below.

### A. Reporting Entity

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

#### Joint Ventures and Risk Pool

The Village participates in four joint ventures, which are reported as nonequity governmental joint ventures and are described in Note 11. The joint ventures are: Central Lake County Joint Action Water Agency (CLCJAWA), CenCom E-9-1-1 Joint Emergency Telephone System, CenCom E-9-1-1 Public Safety Communications Center, and the Solid Waste Agency of Lake County (SWALCO).

### B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Village. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

# Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2008

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## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

### C. Fund Accounting

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

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

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

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

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

# Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2008

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## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

## Village of Round Lake Beach, Illinois

### Notes to the Financial Statements

April 30, 2008

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#### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The Village reports the following major governmental funds:

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

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

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

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

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

The Village reports the following major proprietary fund:

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

# Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2008

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## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Additionally, the Village reports the following fiduciary fund type:

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

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

### E. Cash, Cash Equivalents, and Investments

For purposes of the statement of cash flows, the Village's proprietary funds consider all highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents.

# Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2008

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## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

### F. Receivables

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

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

### G. Capital Assets

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

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

# Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2008

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## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### G. Capital Assets (Continued)

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

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

### H. Compensated Absences

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

### I. Deposits Payable and Retention Payable

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

### J. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

# Village of Round Lake Beach, Illinois

## Notes to the Financial Statements

April 30, 2008

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### J. Long-term Obligations (Continued)

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

#### K. Fund Equity

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

#### L. Interfund Transactions

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

#### M. Use of Estimates

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



# Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2008

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

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

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances – total governmental funds and change in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$261,939 difference are as follows:

Capital outlay	\$ 1,890,079
Depreciation expense	(1,586,704)
Difference in loss on disposal of fixed assets	<u>(41,436)</u>
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net assets of governmental activities	\$ <u>261,939</u>

Another element of that reconciliation states that "The repayment of the principal of long-term debt consume the current financial resources of governmental funds." The details of this \$1,865,385 difference are as follows:

Principal repayments	
General obligation bonds payable	\$ 605,000
TIF revenue bonds payable	795,000
Incremental sales tax revenue notes payable	326,802
Leases payable	<u>138,583</u>
Net adjustment to increase net change in fund balances – total governmental funds to arrive at change in net assets of governmental activities	\$ <u>1,865,385</u>

## Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2008

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

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

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this \$(312,190) are as follows:

Compensated absences	\$	18,051
Accrued interest on sales tax note payable		(162,171)
Accrued interest on general obligation bonds		15,799
Amortization of deferred issuance costs		(52,264)
Pension contributions		<u>(131,605)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	\$	<u><u>(312,190)</u></u>

Another element of that reconciliation states that "The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net assets." The details of this (\$41,426) difference are as follows:

Capital lease financing	\$	<u>(41,426)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	\$	<u><u>(41,426)</u></u>

### 3. DEPOSITS AND INVESTMENTS

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

# Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2008

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### 3. DEPOSITS AND INVESTMENTS (Continued)

- Securities issued or guaranteed by the United States.
- Interest-bearing accounts of banks and savings and loan associations insured up to \$100,000 by the Federal Deposit Insurance Corporation.
- Obligations of the U.S. Treasury and U.S. Agencies.
- Insured accounts of an Illinois credit union chartered under United States or Illinois law.
- Short-term obligations (less than 180 days) of U.S. corporations with assets over \$500 million and rated in the highest classification by at least two rating agencies.
- Short-term obligations of the Federal National Mortgage Association.
- The Illinois Funds.
- Repurchase agreements which meet instrument transaction requirements of Illinois law.
- Illinois Metropolitan Investment Fund

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

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

## Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2008

### 3. DEPOSITS AND INVESTMENTS (Continued)

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

#### A. Deposits

At year-end, the carrying amount of the Village's deposits totaled \$2,062,200 and the bank balances totaled \$2,304,011 (cash on hand of \$1,327 has been excluded). The carrying amount of the Police Pension Fund's deposits totaled \$475,399 and the bank balances totaled \$476,930. The bank balances are covered by federal depository insurance or by collateral held by the Village, or its agent, in the Village's name.

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

#### B. Investments

As of April 30, 2008, the Village has the following investments and maturities.

Investment Type	Investment Maturities (In Years)			
	Fair Value	Less than 1	1-10	Greater than 10
U.S. Treasury Notes	\$ 14,544	\$ 14,544	\$ -	\$ -
The Illinois Funds	14,163,537	14,163,537	-	-
Mutual Funds	6,319,000	6,319,000	-	-
Repurchase Agreement	717,000	-	717,000	-
	<u>\$ 21,214,081</u>	<u>\$ 20,497,081</u>	<u>\$ 717,000</u>	<u>\$ -</u>

## Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2008

### 3. DEPOSITS AND INVESTMENTS (Continued)

#### B. Investments (Continued)

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

Investments in mutual funds consist of amounts invested in a sweep agreement and are reported at \$1 per share value, which equals the Village's fair value in the sweep agreement.

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

As of April 30, 2008, the Police Pension Fund has the following investments and maturities.

Investment Type	Investment Maturities (In Years)			
	Fair Value	Less than 1	1-10	Greater than 10
Insurance Company Contracts	\$ 1,304,052	\$ -	\$ 1,304,052	\$ -
U.S. Treasury Notes	2,149,652	435,188	1,714,464	-
U.S. Treasury Bonds	561,514	-	561,514	-
U.S. Agency Securities	1,946,677	144,036	702,894	1,099,747
Mutual Fund Equities	4,398,647	4,398,647	-	-
	<u>\$ 10,360,542</u>	<u>\$ 4,977,871</u>	<u>\$ 4,282,924</u>	<u>\$ 1,099,747</u>

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

## Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2008

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### 3. DEPOSITS AND INVESTMENTS (Continued)

#### B. Investments (Continued)

*Credit Risk.* State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The Village's investment policy does not impose further limits on investment choices. As of April 30, 2008, The Illinois Funds Money Market and Prime Funds were rated AAAM by Standard & Poor's. The Village's investment in U.S. Treasury Notes, Federal Home Loan Mortgage, Federal Home Loan Bank, and GNMA bonds were rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

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

It is the Pension Fund's policy that no financial institution shall hold more than 10% of the Pension Fund investment portfolio (exclusive of U.S. Treasury securities) and that separate accounts of investments in Insurance Company Contracts should not exceed 10 % of the Pension Fund investment portfolio. At April 30, 2008, the Police Pension Fund had 20.7% invested in U.S. Treasury Notes, 5.4% invested in U.S. Treasury Bonds, 2.2% invested in Federal Home Loan Bank Agency Notes, 4.6% invested in Federal Home Loan Mortgage Notes, 11.4% invested in Federal National Mortgage Association Notes, 0.6% invested in GNMA Notes, 12.6% invested in Insurance Company Contracts with each separate contract being less than 10% of the Pension Fund's investment portfolio, and 42.5% invested in Mutual Fund Equity investments with one mutual fund making up more than 10% of the Pension Fund's investment portfolio. At April 30, 2008, the Pension Fund's investment in Vanguard Institutional Index Fund of \$1,187,607 represents 10.9% of plan net assets.

*Custodial Credit Risk.* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of April 30, 2008, all of the Village's Money Market/Liquid Assets deposits were fully insured and collateralized. Of the Pension Fund's deposits, \$55,258 was not covered by federal depository or equivalent insurance.

## Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2008

### 4. RECEIVABLES

#### A. Property Taxes

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

The 2007 property tax levy is recorded as a receivable. Based upon collection histories at April 30, 2008, the Village does not deem it necessary to provide an allowance for uncollectible property taxes.

#### B. Accounts and Other Receivables

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Fiduciary Fund</u>
Amusement tax	\$ 11,613	\$ -	\$ -
Utility tax	258,759	-	-
Water fees	-	893,432	-
Sewer fees	-	468,981	-
Accrued interest	22,350	10,455	54,508
Miscellaneous	73,744	47,149	-
	<u>366,466</u>	<u>1,420,017</u>	<u>54,508</u>
Total other receivables	\$ <u>366,466</u>	\$ <u>1,420,017</u>	\$ <u>54,508</u>

**Village of Round Lake Beach, Illinois**  
Notes to the Financial Statements  
April 30, 2008

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4. RECEIVABLES (Continued)

C. Due from Other Governments

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

	<u>Governmental Activities</u>
State of Illinois	\$ 2,249,634
Regional Transportation Authority	57,887
Lake County	<u>41,744</u>
Total due from other governments	<u>\$ 2,349,265</u>

**Village of Round Lake Beach, Illinois**

Notes to the Financial Statements  
April 30, 2008

5. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2008 was as follows:

A. Governmental Activities

	Beginning Balance	Restatement See Note 15	Beginning Balance As Restated	Increases	Decreases	Ending Balance
Capital assets, not being depreciated						
Land	\$ 5,249,414	\$ -	\$ 5,249,414	\$ 116,499	\$ 4,533	\$ 5,361,380
Construction in progress	5,614,962	-	5,614,962	2,782,123	3,857,317	4,539,768
Total capital assets, not being depreciated	<u>10,864,376</u>	<u>-</u>	<u>10,864,376</u>	<u>2,898,622</u>	<u>3,861,850</u>	<u>9,901,148</u>
Capital assets, being depreciated						
Buildings	11,145,753	-	11,145,753	-	-	11,145,753
Equipment, furniture, and vehicles	2,600,883	-	2,600,883	310,136	221,677	2,689,342
Land improvements	1,139,473	-	1,139,473	818,556	1,000	1,957,029
Infrastructure	7,309,046	88,097,343	95,406,389	1,720,082	-	97,126,471
Total capital assets being depreciated	<u>22,195,155</u>	<u>88,097,343</u>	<u>110,292,498</u>	<u>2,848,774</u>	<u>222,677</u>	<u>112,918,595</u>
Less accumulated depreciation for:						
Buildings	1,022,912	-	1,022,912	279,333	-	1,302,245
Equipment, furniture, and vehicles	1,545,139	-	1,545,139	276,538	185,774	1,635,903
Land improvements	172,024	-	172,024	55,449	-	227,473
Infrastructure	871,428	14,169,355	15,040,783	975,384	-	16,016,167
Total accumulated depreciation	<u>3,611,503</u>	<u>14,169,355</u>	<u>17,780,858</u>	<u>1,586,704</u>	<u>185,774</u>	<u>19,181,788</u>
Total capital assets being depreciated, net	<u>18,583,652</u>	<u>73,927,988</u>	<u>92,511,640</u>	<u>1,262,070</u>	<u>36,903</u>	<u>93,736,807</u>
Governmental activities capital assets, net	<u>\$ 29,448,028</u>	<u>\$ 73,927,988</u>	<u>\$ 103,376,016</u>	<u>\$ 4,160,692</u>	<u>\$ 3,898,753</u>	<u>\$ 103,637,955</u>

## Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2008

### 5. CAPITAL ASSETS (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
<b>B. <u>Business-type Activities</u></b>				
Capital assets, not being depreciated				
Land	\$ 79,258	\$ -	\$ -	\$ 79,258
Construction in progress	17,946	322,128	140,053	200,021
Total capital assets, not being depreciated	97,204	322,128	140,053	279,279
Capital assets, being depreciated:				
Buildings	522,257	-	-	522,257
Wells and pumping stations	1,816,108	140,053	-	1,956,161
Sewer and water system	11,483,372	1,318,679	-	12,802,051
Equipment	1,131,294	24,800	-	1,156,094
Total capital assets, being depreciated	14,953,031	1,483,532	-	16,436,563
Less accumulated depreciation for:				
Buildings	176,398	13,056	-	189,454
Wells and pumping stations	1,412,991	43,438	-	1,456,429
Sewer and water system	2,994,286	329,869	-	3,324,155
Other equipment	927,665	56,411	-	984,076
Total accumulated depreciation	5,511,340	442,774	-	5,954,114
Total capital assets being depreciated, net	9,441,691	1,040,758	-	10,482,449
Business-type activities capital assets, net	\$ 9,538,895	\$ 1,362,886	\$ 140,053	\$ 10,761,728

## Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2008

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### 5. CAPITAL ASSETS (Continued)

#### C. Depreciation Expense

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

Governmental activities	
Economic development	\$ 14,086
General government	226,570
Public safety	162,474
Public works	<u>1,183,574</u>
Total depreciation expense – governmental activities	\$ <u>1,586,704</u>
Business – type activities	
Water	\$ <u>442,774</u>

#### D. Construction Commitments

The value of construction contracts signed, where the work has not yet been performed at April 30, 2008, is as follows:

TIF 1 Capital Projects Fund	\$ 1,691,263
Bond Project Fund	1,760,924
TIF 3 Fund	107,360
Waterworks and Sewerage Fund	<u>12,052</u>
	\$ <u>3,571,599</u>

### 6. INTERFUND BALANCES

#### A. Interfund Balances

At April 30, 2008, the interfund balances consisted of amounts owed by the Civic Center Fund to the General Fund to cover cash overdrafts in the Civic Center Fund. The detail of those amounts is as follows.

**Village of Round Lake Beach, Illinois**

Notes to the Financial Statements

April 30, 2008

6. INTERFUND BALANCES

A. Interfund Balances (Continued)

	Due From	Due To
Civic Center Fund General Fund	\$ 28,642	\$ -
General Fund Civic Center Fund	-	28,642
Total all funds	28,642	28,642
Amounts eliminated during GASB 34 implementation	(28,642)	(28,642)
Total primary government	\$ -	\$ -

B. Transfers

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

The following transfers were made:

Funds	Transfers In	Transfers Out
TIF 1 Capital Projects TIF 1 Debt Service	\$ 2,460,013	\$ -
TIF 1 Debt Service TIF 1 Capital Projects	-	2,460,013
Total all funds	2,460,013	2,460,013
Amounts eliminated during GASB 34 implementation	(2,460,013)	(2,460,013)
Total primary government	\$ -	\$ -

## Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2008

### 7. SHORT-TERM DEBT

The Village has a revolving line of credit for \$1,000,000 for the purpose of economic development. The line of credit is renewable on August 29 of each year. The line of credit is unsecured and has an interest rate of 5.25%. The Village borrows from the line of credit to purchase and rehabilitate homes, then uses the proceeds of the sale to pay principal and interest. As of April 30, 2008, there was an outstanding balance of \$401,986.

	Beginning Balance	Borrowing	Payments	Ending Balance
Line of credit	\$ <u>220,324</u>	\$ <u>215,297</u>	\$ <u>33,635</u>	\$ <u>401,986</u>

### 8. LONG-TERM DEBT

#### A. Changes in Long-term Liabilities

Long-term liability activity for the year ended April 30, 2008 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
<b>General obligation bonds</b>					
Series 2006	\$ 3,635,000	\$ -	\$ -	\$ 3,635,000	\$ 140,000
Series 2004A	3,320,000	-	145,000	3,175,000	150,000
Series 2004	4,480,000	-	205,000	4,275,000	205,000
Series 2001	5,205,000	-	255,000	4,950,000	265,000
Total general obligation bonds payable	16,640,000	-	605,000	16,035,000	760,000
TIF Revenue Bonds, Series 2003	5,010,000	-	795,000	4,215,000	840,000
<b>Incremental sales tax revenue notes payable</b>					
Series 1993	4,570,402	-	230,331	4,340,071	243,883
Series 2004	226,651	-	96,471	130,180	94,064
Accumulated sales tax note deficit	771,915	162,171	-	934,086	-
Total incremental sales tax revenue notes payable	5,568,968	162,171	326,802	5,404,337	337,947

**Village of Round Lake Beach, Illinois**

Notes to the Financial Statements

April 30, 2008

8. LONG-TERM DEBT (Continued)

A. Changes in Long-term Liabilities (Continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Leases payable	190,190	41,426	138,583	93,033	79,243
Compensated absences	273,584	356,298	374,349	255,533	8,600
Net pension obligation	145,698	131,605	-	277,303	-
<b>Total Governmental Activities</b>	<b>\$ 27,828,440</b>	<b>\$ 691,500</b>	<b>\$ 2,239,734</b>	<b>\$ 26,280,206</b>	<b>\$ 2,025,790</b>
<b>Business-type activities</b>					
Illinois EPA loan payable	\$ 2,410,585	\$ 61,752	\$ 91,862	\$ 2,380,475	\$ 109,952
Compensated absences	70,058	87,410	84,702	72,766	72,766
	<b>\$ 2,480,643</b>	<b>\$ 149,162</b>	<b>\$ 176,564</b>	<b>\$ 2,453,241</b>	<b>\$ 182,718</b>

Payments on the G.O. Bonds Series, 2004A, G.O. Bonds, Series 2004, and G.O. Bonds, Series 2001, are made by the Bond Fund with sales and utility tax allocations from the General Fund. Payments on the TIF Revenue Bonds, Series 2003, will be made by the TIF # 1 Debt Service Fund with real estate taxes and sales taxes. Payments on the Series 2004 and Series 1993 Sales Tax Revenue Notes Payable are made by the TIF # 1 Capital Projects Fund and the General Fund with incremental sales tax revenues from retailers in the district.

B. General Obligation Bonds Payable

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

## Village of Round Lake Beach, Illinois

### Notes to the Financial Statements

April 30, 2008

#### 8. LONG-TERM DEBT (Continued)

##### B. General Obligation Bonds Payable (Continued)

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

<u>Year Ending April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 760,000	\$ 658,524	\$ 1,418,524
2010	785,000	632,114	1,417,114
2011	815,000	603,484	1,418,484
2012	840,000	573,090	1,413,090
2013	875,000	541,448	1,416,448
2014-2018	4,925,000	2,152,867	7,077,867
2019-2023	5,605,000	1,012,980	6,617,980
2024-2026	<u>1,430,000</u>	<u>96,492</u>	<u>1,526,492</u>
Total	<u>\$ 16,035,000</u>	<u>\$ 6,270,999</u>	<u>\$ 22,305,999</u>

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

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

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

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

## Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2008

### 8. LONG-TERM DEBT (Continued)

#### C. Revenue Bonds Payable

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

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

<u>Year Ending</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 840,000	\$ 184,238	\$ 1,024,238
2010	885,000	156,938	1,041,938
2011	945,000	115,785	1,060,785
2012	495,000	71,843	566,843
2013	515,000	48,825	563,825
2014	535,000	24,878	559,878
Total	\$ <u>4,215,000</u>	\$ <u>602,507</u>	\$ <u>4,817,507</u>

#### D. Incremental Sales Tax Revenue Notes Payable

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

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

An amendment to the note, dated November 5, 1999, eliminated the deficit requirements and all accrued interest through December 31, 1999. The original loan amount of \$6,000,000 will be repaid over 20 years at 6.5% interest with an annual payment of \$544,540. In any year where the sales tax is not sufficient to make the annual payment, the shortage will be accumulated and paid during a 5-year extension period after the original term of the note. This deficit is to be paid with sales tax revenue received during that 5-year period. As of April 30, 2008, the accumulated deficit is \$934,086. The estimated sales tax revenues collected during the 5-year extension period is \$1,750,000, which is the maximum liability that the Village will have on the accumulated note deficit.

## Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2008

### 8. LONG-TERM DEBT (Continued)

#### D. Incremental Sales Tax Revenue Notes Payable (Continued)

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

Annual debt service requirements to maturity are as follows:

<u>Year Ending</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 337,947	\$ 385,433	\$ 723,380
2010	314,402	267,899	582,301
2011	296,374	248,164	544,538
2012	315,639	228,899	544,538
2013	336,155	208,383	544,538
2014-2018	2,038,354	684,336	2,722,690
2019-2022	<u>1,765,466</u>	<u>76,197</u>	<u>1,841,663</u>
Total	<u>\$ 5,404,337</u>	<u>\$ 2,099,311</u>	<u>\$ 7,503,648</u>

#### E. Prior Years' Tax Increment Revenue Bond Defeasance

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

## Village of Round Lake Beach, Illinois

Notes to the Financial Statements  
April 30, 2008

### 8. LONG-TERM DEBT (Continued)

#### F. Capital Lease Obligations

At April 30, 2008, the Village is obligated for future payments under noncancellable vehicle leases as follows:

<u>Year Ending April 30,</u>	<u>Payment on Capital Lease Obligation</u>
2009	\$ 83,758
2010	<u>14,700</u>
	98,458
Less interest portion	<u>5,425</u>
	<u>\$ 93,033</u>

The cost of the capital assets acquired through capital lease is \$308,268, with accumulated depreciation of \$58,385 at April 30, 2008.

#### G. 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, 2008, including accrued construction period interest, is \$2,561,944 and the principal outstanding at April 30, 2008 is \$2,380,475.

Annual debt service requirements to maturity are as follows:

<u>Year Ending April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 109,952	\$ 58,829	\$ 168,781
2010	112,718	56,063	168,781
2011	115,554	53,227	168,781
2012	118,460	50,321	168,781
2013	121,440	47,340	168,780
2014-2018	654,593	189,312	843,905
2019-2023	741,178	102,727	843,905
2024-2026	<u>406,580</u>	<u>15,373</u>	<u>421,953</u>
Total	<u>\$ 2,380,475</u>	<u>\$ 573,192</u>	<u>\$ 2,953,667</u>

# Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2008

## 9. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters. The Village is insured for all general liability, unemployment and worker's compensation, auto, and collision claims for which the Village is held liable. The Village has contracted with the Illinois Municipal League to administer the program. At April 30, 2008, the Village has accrued a liability of \$82,378 for claims exceeding loss coverage. Settled claims exceeded the insurance at April 30, 2006 in the amount of \$77,234, and did not exceed coverage for the years ended April 30, 2007 and 2005.

## 10. CONTINGENT LIABILITIES

### A. Grants

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

## 11. JOINT VENTURES

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

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

The purpose and objectives of the Agency are:

To provide water to member municipalities on a wholesale basis.

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

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

Summary of Financial Position at April 30, 2008:

Current assets	\$ 9,805,330
Restricted assets	24,480,788
Capital assets	119,295,870
Deferred charges (net of amortization)	1,487,858
Total assets	<u>\$ 155,069,846</u>

## Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2008

### 11. JOINT VENTURES (Continued)

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

Current liabilities (payable from current assets)	\$ 729,091
Restricted liabilities (payable from restricted assets)	11,604,439
Long-term liabilities (net of amortization/accretion)	<u>138,393,488</u>
Total liabilities	<u>150,727,018</u>
Invested in capital assets - net of related debt	(17,634,680)
Restricted - bond covenants	12,133,012
Restricted - debt retirement	194,241
Restricted - rate stabilization	1,025,762
Unrestricted	<u>8,624,493</u>
Total net assets	<u>4,342,828</u>
Total liabilities and net assets	\$ <u><u>155,069,846</u></u>

Summary of revenues, expenses, and net income for CLCJAWA for the year ended April 30, 2008:

Total revenues	\$ 20,383,296
Total expenses	<u>18,662,118</u>
Net income	\$ <u><u>1,721,178</u></u>

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

#### B. CenCom E9-1-1 Joint Emergency Telephone System

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

## Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2008

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### 11. JOINT VENTURES (Continued)

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

Summary of Financial Position at April 30, 2008:

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

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

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

#### C. CenCom E9-1-1 Public Safety Communications Center

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

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

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

# Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2008

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## 11. JOINT VENTURES (Continued)

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

Summary of revenues, expenses, and change in net assets for CenCom E9-1-1 Public Safety Communications Center for the year ended April 30, 2008:

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

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

### D. Solid Waste Agency of Lake County

Solid Waste Agency of Lake County ("SWALCO") is a municipal corporation formed by Lake County and 38 municipalities within Lake County for the purpose of implementing a regional approach to solid waste management by addressing economic, political, and environmental issues. SWALCO's primary sources of revenue are surcharge fees imposed at sanitary landfills and host fees from these landfills which are then transferred to Lake County.

Summary of Financial Position at November 30, 2007:

Current assets	\$ 858,670
Capital assets (net of accumulated depreciation)	<u>1,686,704</u>
Total assets	<u>\$ 2,545,374</u>
Liabilities	
Current liabilities	<u>\$ 495,348</u>
Invested in capital assets	1,686,704
Unrestricted	<u>363,322</u>
Total net assets	<u>2,050,026</u>
Total liabilities and net assets	<u>\$ 2,545,374</u>

# Village of Round Lake Beach, Illinois

Notes to the Financial Statements  
April 30, 2008

## 11. JOINT VENTURES (Continued)

### D. Solid Waste Agency of Lake County (Continued)

Summary of revenues, expenses, and change in net assets for SWALCO for the year ended November 30, 2007:

Total revenues	\$ 2,762,184
Total expenses	<u>2,988,632</u>
Change in net assets	\$ <u>(226,448)</u>

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

## 12. EMPLOYEE RETIREMENT SYSTEMS

### A. Illinois Municipal Retirement Fund

#### Plan Descriptions and Provisions

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

Employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The member rate is established by state statute. The Village is required to contribute at an actuarially determined rate. The employer rate for calendar year 2007 was 6.77% of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2007 was 25 years.

For December 31, 2007, the Village's annual pension cost of \$156,782 was equal to the Village's required and actual contributions. The required contribution was determined as part of the December 31, 2005 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) postretirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2007 actuarial valuation were based on the 2002-2004 experience study.

## Village of Round Lake Beach, Illinois

Notes to the Financial Statements  
April 30, 2008

### 12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

#### A. Illinois Municipal Retirement Fund (Continued)

Trend Information:

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/07	\$ 156,782	100%	\$ -
12/31/06	164,479	100	-
12/31/05	145,494	100	-

#### B. Police Pension

##### Plan Descriptions and Provisions

Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit, single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Chapter 40 Illinois Compiled Statutes 5 and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. The Village's payroll for employees covered by the Police Pension Plan for the year ended April 30, 2008 was \$2,587,978, out of a total payroll of \$4,196,125.

At April 30, 2008, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	16
Current employees	42
<b>Total</b>	<b>58</b>

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

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

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

## Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2008

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### 12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

#### B. Police Pension (Continued)

##### Plan Descriptions and Provisions (Continued)

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

##### Summary of Significant Accounting Policies and Plan Asset Matters

###### Basis of Accounting

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

###### Cash and cash equivalents

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

###### Method Used to Value Investments

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

###### Contributions

Village contributions are determined annually by an actuarial study using the entry age normal cost method. The valuation for fiscal 2008 was prepared as of April 30, 2007. Significant assumptions used in the calculations include (a) a 7% return on investments, (b) projected salary increases of 5.5% per year, and (c) 26-year amortization of unfunded liability.

## Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2008

### 12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

#### B. Police Pension (Continued)

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

##### Annual Pension Cost and Net Pension Liability

Annual required contribution (ARC)	\$	714,985
Interest on net pension obligation		<u>18,141</u>
Annual pension cost (APC)		733,126
Contributions made		<u>(601,521)</u>
Increase in net pension obligation		131,605
Net pension obligation		
Beginning of year		<u>145,698</u>
End of year	\$	<u><u>277,303</u></u>

##### Schedule of Employer Contributions

Fiscal Year Ended	Annual Required Contribution	Percentage of APC Contributed	Net Pension Obligation
4/30/08	\$ 714,985	82.0 %	277,303
4/30/07	591,903	100.0	145,698
4/30/06	528,595	100.6	136,166

Additional information as of the latest actuarial valuation follows:

Actuarial valuation date	April 30, 2007
Actuarial cost method	Entry age normal cost
Mortality rate assumptions	1971 Group Annuity
Decrement assumption	Experience tables

Significant actuarial assumptions:

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

## Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2008

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### 13. NET ASSETS RESTRICTED BY ENABLING LEGISLATION

The government-wide statement of net assets reports \$6,413,780 of net assets restricted by enabling legislation which consists of the following:

Roads (motor fuel tax allotments)	\$	1,224,216
Debt service (real estate, state sales, home rule, and utility taxes)		4,230,976
Channel dredging and stream bank stabilization (GO bond proceeds)		845,646
Economic development (real estate taxes)		112,942
Total net assets restricted by enabling legislation	\$	<u>6,413,780</u>

### 14. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The Civic Center Fund had a net assets deficit of \$37,190 as of April 30, 2008. The Village plans to use current resources and possible financing from the General Fund to pay for future liabilities.

### 15. RETROACTIVE REPORTING OF INFRASTRUCTURE ASSETS - RESTATEMENT

GASB Statement No. 34 - *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* requires the Village to report and depreciate new infrastructure assets effective with the beginning of fiscal year 2005. The Village elected to extend the implementation period for reporting all infrastructure assets acquired prior to fiscal year 2005 until the end of the prior fiscal year. The total amount by which the beginning net assets of the Village was adjusted for the reporting of the infrastructure assets was \$73,927,988.

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**Required Supplementary Information (Unaudited)**

**Village of Round Lake Beach, Illinois**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FUNDING PROGRESS**  
**Illinois Municipal Retirement Fund**  
**April 30, 2008**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/1999	\$ 4,173,648	\$ 2,806,385	\$ (1,367,263)	148.7%	\$ 1,592,302	(85.87) %
12/31/2000	4,777,589	3,299,277	(1,478,312)	144.8%	1,786,763	(82.74)
12/31/2001	5,115,416	3,617,990	(1,497,426)	141.4%	1,903,272	(78.68)
12/31/2002	4,974,993	4,092,813	(882,180)	121.6%	2,128,040	(41.46)
12/31/2003	4,750,275	4,100,973	(649,302)	115.8%	2,084,226	(31.15)
12/31/2004	4,907,514	4,479,678	(427,836)	109.6%	1,991,709	(21.48)
12/31/2005	5,134,095	4,576,431	(557,664)	112.2%	2,111,669	(26.41)
12/31/2006	5,298,911	4,595,090	(703,821)	115.3%	2,195,982	(32.05)
12/31/2007	5,957,941	5,156,929	(801,012)	115.5%	2,315,831	(34.59)

On a market value basis, the actuarial value of assets as of December 31, 2007 is \$6,373,791. On a market basis, the funded ratio would be 123.60%.

**Village of Round Lake Beach, Illinois**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FUNDING PROGRESS**  
Police Pension Fund  
April 30, 2008

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Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/1999	\$ 4,907,657	\$ 7,135,988	\$ 2,228,331	68.8%	\$ 1,508,883	147.7%
12/31/2000	8,427,660	9,111,428	683,768	92.5%	1,541,218	44.4%
12/31/2001	8,006,202	10,094,610	2,088,408	79.3%	1,630,970	128.0%
4/30/2002	7,804,137	11,222,408	3,418,271	69.5%	1,763,299	193.9%
4/30/2003	7,759,487	11,798,483	4,038,996	65.8%	1,786,158	226.1%
4/30/2004	8,526,103	13,324,397	4,798,294	64.0%	2,185,061	219.6%
4/30/2005	9,051,618	14,738,480	5,686,862	61.4%	2,331,900	243.9%
4/30/2006	9,938,382	15,593,498	5,655,116	63.7%	2,356,890	239.9%
4/30/2007	10,467,118	16,940,905	6,473,787	61.8%	2,587,978	250.1%

**Village of Round Lake Beach, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**General Fund**  
For the year ended April 30, 2008

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Taxes	\$ 3,597,474	\$ 3,859,730	\$ 262,256
Intergovernmental	4,631,904	4,874,692	242,788
Licenses and permits	542,625	397,245	(145,380)
Fines	375,510	497,485	121,975
Charges for services	192,369	177,682	(14,687)
Interest	151,300	191,956	40,656
Miscellaneous	9,250	71,957	62,707
Total revenues	<u>9,500,432</u>	<u>10,070,747</u>	<u>570,315</u>
<b>Expenditures</b>			
General government			
Legislative	455,666	454,411	1,255
Boards and commissions	34,476	46,019	(11,543)
Administration	241,502	239,014	2,488
Village clerk	22,682	19,573	3,109
Finance	160,521	167,886	(7,365)
Village president's office	24,364	21,901	2,463
Insurance	534,710	583,083	(48,373)
Public safety	5,810,640	5,711,290	99,350
Economic development	773,913	768,849	5,064
Public works	1,600,385	1,489,883	110,502
Total expenditures	<u>9,658,859</u>	<u>9,501,909</u>	<u>156,950</u>
Net change in fund balance	<u>\$ (158,427)</u>	568,838	<u>\$ 727,265</u>
Fund balance, May 1		<u>5,924,620</u>	
Fund balance, April 30		<u>\$ 6,493,458</u>	

**Village of Round Lake Beach, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**TIF #2 Special Revenue Fund**  
**For the year ended April 30, 2008**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
<b>Taxes</b>			
Real estate taxes	\$ 1,400,000	\$ 1,720,390	\$ 320,390
Interest on investments	25,000	48,247	23,247
<b>Total revenues</b>	<u>1,425,000</u>	<u>1,768,637</u>	<u>343,637</u>
<b>Expenditures</b>			
Economic development			
TIF rebates	<u>1,425,000</u>	<u>1,769,288</u>	<u>(344,288)</u>
<b>Deficiency of revenues over expenditures</b>	<u>-</u>	(651)	<u>(651)</u>
<b>Fund Balance</b>			
May 1		<u>1,964</u>	
April 30		\$ <u>1,313</u>	

**Village of Round Lake Beach, Illinois**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
April 30, 2008

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

**Assumptions:**

The actuarial assumptions used to determine the actuarial accrued liability for 2007 are based on the 2002 - 2004 Experience Study.

The principal changes were:

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

**2. BUDGETS**

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

- (a) The Village Administrator submits to the Village President the proposed operating budget for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them.
- (b) The Village President reviews the proposed budget, and makes changes as necessary. The Administrator then holds workshops with support staff and one or two trustees at a time where the budget is reviewed and recommendations are collected. The Trustees' suggestions are incorporated in the budget draft for final review by the Village President, who may make additional changes.
- (c) The Village Board conducts a public budget review meeting to discuss the proposed budget.
- (d) A public hearing is conducted to obtain taxpayer comments on the proposed fiscal year appropriation ordinance.
- (e) The fiscal year appropriation ordinance, which incorporates the budget decisions of the Village Board, is legally enacted for the General Fund, Special Revenue Funds, Capital Project Funds, and Proprietary Fund Types.

**Village of Round Lake Beach, Illinois**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
April 30, 2008

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2. BUDGETS (Continued)

(f) The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the department level, per fund. The Department Head may modify the department budget by spending less in one line item when another will go over budget. Modifications to the budget beyond the department-per-fund level can only be made by the Village Board of Trustees. Village management does not have the authority to modify the budget beyond the department-per-fund level.

(g) All appropriations lapse at year-end. No supplemental appropriations were made by the Village Board of Trustees during fiscal 2008.

All governmental fund type budgets are prepared on a modified-accrual basis. Proprietary fund type budgets, which are prepared for management control purposes, are prepared on the accrual basis except that depreciation and amortization are not budgeted. The budgetary authority to spend lapses at April 30 of each year.

3. ACTUAL EXPENDITURES IN EXCESS OF BUDGET IN INDIVIDUAL FUNDS

<u>Fund / Account</u>	<u>Actual</u>	<u>Budget</u>	<u>Excess</u>
TIF # 2 Special Revenue Fund	\$ 1,769,288	\$ 1,425,000	\$ 344,288
Bond Capital Projects Fund	1,718,052	1,497,500	220,552
TIF # 1 Debt Service Fund	1,008,816	1,005,075	3,741
Civic Center Fund	118,581	108,290	10,291

The excess of expenses over budgeted amounts in the TIF # 2 Special Revenue Fund is offset by a similar excess of revenue over budgeted amounts in this fund, due to higher than expected property tax increment increase. The excess of expenditures in the Bond Capital Projects Fund is due to construction timing on the Westside Lotus project (funds that had been budgeted in FY07 were paid out in FY08). The excess of the expenditures in the TIF # 1 Debt Service Fund is due to bank service charges and consulting fees incurred for debt issues which were not budgeted by the Village. The excess of expenditures in the Civic Center Fund is due to salary and utility expenditures incurred that were higher than budgeted.

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**Supplementary Information**

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

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

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

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

### **DEBT SERVICE FUNDS**

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

### **CAPITAL PROJECTS FUND**

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

**Village of Round Lake Beach, Illinois**  
**COMBINING BALANCE SHEET**  
Nonmajor Governmental Funds  
April 30, 2008

	<u>Special Revenue</u>		
	<u>Motor Fuel Tax</u>	<u>Civic Center</u>	<u>TIF #3</u>
<b>ASSETS</b>			
Cash and investments	\$ 1,132,857	\$ -	\$ 119,376
Receivables			
Property taxes	-	-	114,265
Other	39,655	2,826	-
Due from other governments	<u>57,887</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 1,230,399</u>	<u>\$ 2,826</u>	<u>\$ 233,641</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 6,183	\$ 10,348	\$ 355
Accrued payroll	-	1,026	-
Due to other funds	-	28,642	-
Deposits payable	-	-	-
Retention payable	-	-	6,079
Unearned revenue	<u>-</u>	<u>-</u>	<u>114,265</u>
Total liabilities	<u>6,183</u>	<u>40,016</u>	<u>120,699</u>
<b>Fund balances</b>			
Reserved for capital projects	-	-	-
Reserved for streets and highways	1,224,216	-	-
Reserved for economic development	-	(37,190)	112,942
Reserved for debt service	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>1,224,216</u>	<u>(37,190)</u>	<u>112,942</u>
<b>Total liabilities and fund balances</b>	<u>\$ 1,230,399</u>	<u>\$ 2,826</u>	<u>\$ 233,641</u>

Total Special Revenue Funds	Debt Service General Obligation Debt	Capital Projects General Improvement	Total Nonmajor Governmental Funds
\$ 1,252,233	\$ 2,199,037	\$ 819,173	\$ 4,270,443
114,265	-	-	114,265
42,481	-	34,939	77,420
57,887	138,499	558,424	754,810
<u>\$ 1,466,866</u>	<u>\$ 2,337,536</u>	<u>\$ 1,412,536</u>	<u>\$ 5,216,938</u>

\$ 16,886	\$ -	\$ 171,470	\$ 188,356
1,026	-	-	1,026
28,642	-	-	28,642
-	-	999	999
6,079	-	28,897	34,976
114,265	-	-	114,265
<u>166,898</u>	<u>-</u>	<u>201,366</u>	<u>368,264</u>
-	-	1,211,170	1,211,170
1,224,216	-	-	1,224,216
75,752	-	-	75,752
-	2,337,536	-	2,337,536
<u>1,299,968</u>	<u>2,337,536</u>	<u>1,211,170</u>	<u>4,848,674</u>
<u>\$ 1,466,866</u>	<u>\$ 2,337,536</u>	<u>\$ 1,412,536</u>	<u>\$ 5,216,938</u>

**Village of Round Lake Beach, Illinois**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**Nonmajor Governmental Funds**  
**STATEMENT OF ACTIVITIES**  
For the year ended April 30, 2008

	<u>Special Revenue</u>			
	<u>Motor Fuel Tax</u>	<u>Civic Center</u>	<u>TIF #3</u>	<u>Total</u>
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ 84,130	\$ 84,130
Intergovernmental	746,927	-	-	746,927
Grants and contributions	-	8,000	-	8,000
Charges for services	-	42,544	-	42,544
Rental income	-	-	-	-
Interest	46,825	662	6,478	53,965
Miscellaneous	-	45	-	45
<b>Total revenues</b>	<u>793,752</u>	<u>51,251</u>	<u>90,608</u>	<u>935,611</u>
<b>Expenditures</b>				
<b>Current</b>				
Economic development	-	-	-	-
General government	-	118,176	-	118,176
<b>Debt service</b>				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issue costs	-	-	-	-
Fiscal agent fees	-	-	-	-
<b>Capital outlay</b>	<u>453,590</u>	<u>405</u>	<u>107,493</u>	<u>561,488</u>
<b>Total expenditures</b>	<u>453,590</u>	<u>118,581</u>	<u>107,493</u>	<u>679,664</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>340,162</u>	<u>(67,330)</u>	<u>(16,885)</u>	<u>255,947</u>
<b>Other financing sources</b>				
Proceeds from sale of equipment	-	-	-	-
Capital leases	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	340,162	(67,330)	(16,885)	255,947
<b>Fund balances - beginning of year</b>	<u>884,054</u>	<u>30,140</u>	<u>129,827</u>	<u>1,044,021</u>
<b>Fund balances - end of year</b>	<u>\$ 1,224,216</u>	<u>\$ (37,190)</u>	<u>\$ 112,942</u>	<u>\$ 1,299,968</u>

<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
General Obligation Debt	General Improvement	Nonmajor Governmental Funds
\$ 1,166,000	\$ 490,017	\$ 1,740,147
-	388,251	1,135,178
-	-	8,000
-	1,250	43,794
-	47,733	47,733
66,618	28,758	149,341
-	96,422	96,467
<u>1,232,618</u>	<u>1,052,431</u>	<u>3,220,660</u>
-	22,616	22,616
-	-	118,176
605,000	-	605,000
676,855	-	676,855
5,811	-	5,811
1,950	-	1,950
-	695,959	1,257,447
<u>1,289,616</u>	<u>718,575</u>	<u>2,687,855</u>
<u>(56,998)</u>	<u>333,856</u>	<u>532,805</u>
-	17,313	17,313
-	41,427	41,427
-	58,740	58,740
(56,998)	392,596	591,545
<u>2,394,534</u>	<u>818,574</u>	<u>4,257,129</u>
<u>\$ 2,337,536</u>	<u>\$ 1,211,170</u>	<u>\$ 4,848,674</u>

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**Village of Round Lake Beach, Illinois**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**General Fund**  
**For the year ended April 30, 2008**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>Taxes</b>			
<b>Property Tax</b>			
Corporate fund	\$ 972,891	\$ 988,187	\$ 15,296
Liability insurance	150,593	150,875	282
Police protection	142,667	142,667	-
Auditing	18,700	18,685	(15)
IMRF	162,481	163,256	775
Road and bridge	31,000	32,100	1,100
Police pension	601,521	601,521	-
<b>Total Property Tax</b>	<b>2,079,853</b>	<b>2,097,291</b>	<b>17,438</b>
<b>Other Taxes</b>			
Home rule	169,721	141,432	(28,289)
Telephone	507,900	668,995	161,095
Gas	210,000	231,990	21,990
Electric	410,000	418,595	8,595
Amusement	220,000	301,427	81,427
<b>Total Other Taxes</b>	<b>1,517,621</b>	<b>1,762,439</b>	<b>244,818</b>
<b>Total Taxes</b>	<b>3,597,474</b>	<b>3,859,730</b>	<b>262,256</b>
<b>Intergovernmental - Revenue from Other Agencies</b>			
Sales tax	2,380,000	2,045,408	(334,592)
Use	315,000	362,571	47,571
Personal property replacement tax	20,000	19,441	(559)
Income tax	1,850,000	2,431,015	581,015
Grant revenue	40,100	8,264	(31,836)
Police training grant reimbursement	18,804	7,993	(10,811)
State-liquor commission tobacco enforcement	8,000	-	(8,000)
<b>Total Intergovernmental - Revenue from Other Agencies</b>	<b>4,631,904</b>	<b>4,874,692</b>	<b>242,788</b>
<b>Licenses and Permits</b>			
Business certificates	50,000	62,597	12,597
Liquor	27,000	24,034	(2,966)
Billboard licenses	800	-	(800)
Contractor application fee	5,825	7,500	1,675
Rental certification	33,000	44,095	11,095
Occupancy permits	48,000	23,450	(24,550)
Building permits	200,000	36,922	(163,078)
Elevator inspections	500	-	(500)
Cable TV franchise fee	124,000	145,486	21,486
Nicor gas franchise fee	49,000	47,961	(1,039)

(Continued)

**Village of Round Lake Beach, Illinois**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)**  
General Fund  
For the year ended April 30, 2008

	Original and Final Budget	Actual	Variance Positive (Negative)
Licenses and Permits (Continued)			
Annex/ZBA/Plan	\$ 4,500	\$ 5,200	\$ 700
Total Licenses and Permits	<u>542,625</u>	<u>397,245</u>	<u>(145,380)</u>
Fines			
Police fines	350,000	457,597	107,597
State seizure revenue	1,000	1,564	564
DUI revenues	12,660	7,743	(4,917)
Tobacco enforcement	-	7,750	7,750
False alarm	2,350	10,650	8,300
Building fines	9,500	12,181	2,681
Total Fines	<u>375,510</u>	<u>497,485</u>	<u>121,975</u>
Interest	<u>151,300</u>	<u>191,956</u>	<u>40,656</u>
Charges for Services			
Police photocopy service	4,530	4,720	190
Weed cutting	10,500	10,246	(254)
Lien - other	10,939	10,409	(530)
Police security services	10,000	6,297	(3,703)
Daily parking collections	26,400	30,684	4,284
Police towing charge	80,000	62,945	(17,055)
Police background	-	100	100
Recycling rev - bins/swalco	9,000	25,046	16,046
Community event	35,000	25,982	(9,018)
Yard waste sticker sales	6,000	1,253	(4,747)
Total Charges for Services	<u>192,369</u>	<u>177,682</u>	<u>(14,687)</u>
Miscellaneous			
Sale of property	360,000	209,500	(150,500)
Less amount capitalized	(360,000)	(209,500)	150,500
Rental income	3,600	21,000	17,400
Miscellaneous	5,650	50,957	45,307
Total Miscellaneous	<u>9,250</u>	<u>71,957</u>	<u>62,707</u>
Total Revenues	<u>\$ 9,500,432</u>	<u>\$ 10,070,747</u>	<u>\$ 570,315</u>

(Concluded)

**Village of Round Lake Beach, Illinois**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**General Fund**  
**For the year ended April 30, 2008**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>General Government</b>			
<b>Legislative</b>			
Salaries - full time	\$ 32,400	\$ 28,200	\$ 4,200
IMRF	1,950	1,346	604
FICA	1,786	1,748	38
Medicare	418	409	9
Training	1,810	1,615	195
Travel/food	9,950	9,846	104
Dues and subscriptions	20,862	30,905	(10,043)
Employee recognition	14,500	15,394	(894)
Postage	-	155	(155)
Printing, advertising, publishing	1,530	2,403	(873)
Video service	5,880	4,575	1,305
Legal	336,200	326,089	10,111
Community events	21,380	23,249	(1,869)
Dollars for scholars	6,000	6,000	-
Miscellaneous	1,000	2,477	(1,477)
<b>Total Legislative</b>	<b>455,666</b>	<b>454,411</b>	<b>1,255</b>
<b>Boards and Commissions</b>			
Salaries - part time	4,260	3,150	1,110
FICA	264	87	177
Medicare	62	56	6
Training	2,445	1,595	850
Travel/food	-	633	(633)
Dues and subscriptions	375	375	-
Office supplies	150	16	134
Postage	-	47	(47)
Printing, advertising, publishing	1,500	3,935	(2,435)
Tech services	12,520	10,729	1,791
Legal	12,600	24,150	(11,550)
Miscellaneous	300	1,246	(946)
<b>Total Boards and Commissions</b>	<b>34,476</b>	<b>46,019</b>	<b>(11,543)</b>
<b>Administration</b>			
Salaries - full time	152,868	152,966	(98)
Salaries - part time	-	150	(150)
Health insurance	35,289	36,373	(1,084)
IMRF	12,524	12,151	373
FICA	9,478	8,748	730
Medicare	2,217	2,149	68
Training	1,300	860	440
Travel/food	843	427	416

(Continued)

**Village of Round Lake Beach, Illinois**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**General Fund**  
**For the Year Ended April 30, 2008**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>Administration (Continued)</b>			
Dues and subscriptions	\$ 1,150	\$ 684	\$ 466
Office supplies	688	602	86
Telephone	550	631	(81)
Cellular phone	1,200	950	250
Postage	375	533	(158)
Printing, advertising, publishing	275	226	49
Village newsletter	13,260	11,879	1,381
Web page maintenance	7,860	7,482	378
Data processing	100	138	(38)
Fuel/oil	1,050	1,419	(369)
Pre-employment background and testing	475	296	179
Intern	-	350	(350)
<b>Total Administration</b>	<b>241,502</b>	<b>239,014</b>	<b>2,488</b>
<b>Village Clerk</b>			
Salaries - full time	10,600	8,544	2,056
IMRF	677	593	84
FICA	620	547	73
Medicare	145	128	17
Training	750	599	151
Travel/food	1,340	1,662	(322)
Dues and subscriptions	100	397	(297)
Office supplies	750	913	(163)
Telephone	800	501	299
Postage	150	73	77
Printing, advertising, publishing	250	486	(236)
Data processing	100	78	22
Codification	5,500	3,424	2,076
Archiving	750	1,403	(653)
Miscellaneous	150	225	(75)
<b>Total Village Clerk</b>	<b>22,682</b>	<b>19,573</b>	<b>3,109</b>
<b>Finance</b>			
Salaries - full time	65,907	69,489	(3,582)
Health insurance	8,271	8,400	(129)
IMRF	4,462	4,615	(153)
FICA	4,086	4,296	(210)
Medicare	956	1,005	(49)
Training	620	554	66
Travel/food	198	586	(388)
Dues and subscriptions	670	303	367
Office supplies	2,500	2,417	83
Telephone	4,000	2,454	1,546

(Continued)

**Village of Round Lake Beach, Illinois**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**General Fund**  
**For the year ended April 30, 2008**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>Finance (Continued)</b>			
Postage	\$ 1,750	\$ 1,077	\$ 673
Printing, advertising, publishing	1,238	1,179	59
Network support	23,850	30,552	(6,702)
Data processing	6,082	5,968	114
Payroll processing	3,950	5,908	(1,958)
Cafeteria plan	540	560	(20)
Pre-employment screening	100	-	100
Furniture and fixtures	750	140	610
Equipment maintenance	1,491	1,566	(75)
Equipment lease	3,900	3,087	813
Liens	4,000	3,336	664
Auditor/financial consultant	21,000	20,323	677
Miscellaneous	200	71	129
<b>Total Finance</b>	<b>160,521</b>	<b>167,886</b>	<b>(7,365)</b>
<b>Village President's Office</b>			
Salaries - full time	16,200	15,029	1,171
IMRF	1,016	1,030	(14)
FICA	930	958	(28)
Medicare	218	224	(6)
Training	500	290	210
Travel/food	3,200	3,372	(172)
Telephone	550	252	298
Cellular phone	-	182	(182)
Printing, advertising, publishing	250	69	181
Data processing	500	213	287
Miscellaneous	1,000	282	718
<b>Total Village President's Office</b>	<b>24,364</b>	<b>21,901</b>	<b>2,463</b>
<b>Financing and Insurance</b>			
Liability insurance	81,430	78,292	3,138
Worker's compensation	61,050	101,954	(40,904)
Unemployment insurance	12,000	18,100	(6,100)
Postage	-	1,477	(1,477)
Bank fees	3,500	9,516	(6,016)
Interest	165,000	118,198	46,802
Principal	211,730	230,331	(18,601)
ComEd safety initiative	-	12,877	(12,877)
Miscellaneous	-	12,338	(12,338)
<b>Total Financing and Insurance</b>	<b>534,710</b>	<b>583,083</b>	<b>(48,373)</b>
<b>Total General Government</b>	<b>1,473,921</b>	<b>1,531,887</b>	<b>(57,966)</b>

(Continued)

**Village of Round Lake Beach, Illinois**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**General Fund**  
**For the year ended April 30, 2008**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>Public Safety</b>			
Salaries - full time	\$ 3,270,217	\$ 3,082,087	\$ 188,130
Salaries - part time	9,000	7,393	1,607
Court pay	25,000	30,043	(5,043)
Overtime	285,000	304,136	(19,136)
Health insurance	570,670	589,621	(18,951)
Police pension contribution	602,000	601,521	479
IMRF	30,439	35,959	(5,520)
FICA	34,510	35,730	(1,220)
Medicare	52,840	46,981	5,859
Training	40,558	38,934	1,624
Travel/food	9,500	18,026	(8,526)
Clothing	38,759	61,233	(22,474)
Due and subscriptions	2,900	6,438	(3,538)
Safety equipment	6,950	22	6,928
Medical supplies	2,500	700	1,800
Office supplies	10,228	9,980	248
Telephone	10,440	31,310	(20,870)
Cellular phone	12,720	12,411	309
Postage	8,190	5,705	2,485
Printing, advertising, publishing	9,612	10,375	(763)
Tech services	13,333	16,689	(3,356)
Data processing	2,582	18,439	(15,857)
Animal control	-	180	(180)
Equipment purchase	8,450	8,748	(298)
Equipment lease	3,540	3,450	90
Equipment maintenance	5,650	20,176	(14,526)
Furnitures and fixtures	963	1,689	(726)
Vehicle accessories	12,100	10,199	1,901
Vehicle maintenance	69,700	71,145	(1,445)
Fuel/oil	79,502	110,899	(31,397)
Planning and consulting	-	12,650	(12,650)
Operating supplies	15,678	9,925	5,753
Community service	6,709	6,698	11
Weapons supplies	25,941	30,034	(4,093)
Jail expense	14,312	14,977	(665)
Cencom	455,610	416,880	38,730
Warning siren	4,300	1,308	2,992
Youth crime prevention	378	-	378
Child safety seat program	187	-	187
Drug control expense	-	13,414	(13,414)
Drug prevention asset seizure	34,212	4,643	29,569
DUI prevention	12,660	4,086	8,574
Grant expense	12,300	5,740	6,560
Miscellaneous	500	716	(216)
<b>Total Public Safety</b>	<b>5,810,640</b>	<b>5,711,290</b>	<b>99,350</b>

(Continued)

**Village of Round Lake Beach, Illinois**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**General Fund**  
**For the year ended April 30, 2008**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>Economic Development</b>			
Salaries - full time	\$ 250,771	\$ 209,725	\$ 41,046
Health insurance	58,814	46,697	12,117
IMRF	16,537	13,328	3,209
FICA	15,548	12,804	2,744
Medicare	3,636	2,994	642
Training	5,600	2,910	2,690
Travel/Food	2,000	648	1,352
Clothing	3,480	2,623	857
Due and subscriptions	1,620	575	1,045
Office supplies	3,000	3,039	(39)
Telephone	7,500	6,388	1,112
Cellular phone	3,300	2,616	684
Postage	5,000	3,868	1,132
Printing, advertising, publishing	4,000	6,931	(2,931)
Tech services	1,000	924	76
Data processing	250	-	250
Pre-employment screening	200	377	(177)
Film/batteries	600	533	67
Equipment purchase	1,000	162	838
Equipment maintenance	1,000	889	111
Vehicle accessories	250	342	(92)
Fuel/oil	6,000	6,510	(510)
Planning/consulting	100,000	127,290	(27,290)
Engineering	2,000	13,990	(11,990)
Subcontract plumbing inspector	7,000	3,360	3,640
Elevator inspections	1,100	1,907	(807)
Boardups	1,000	1,886	(886)
Operating supplies	20,000	-	20,000
Utilities	1,200	253	947
Utilities - natural gas	1,200	499	701
Bank fees	-	75	(75)
Interest expense	9,300	7,522	1,778
Principal	62,000	-	62,000
Property purchase	240,000	298,041	(58,041)
Less amount capitalized	(240,000)	(181,542)	(58,458)
Loss on property sale	-	6,184	(6,184)
Property tax expense	6,000	5,403	597
Amusement tax rebate	80,007	80,001	6
Rental management	1,000	-	1,000
Building maintenance	50,000	5,406	44,594
Miscellaneous	1,000	31,323	(30,323)
<b>Total Economic Development</b>	<b>733,913</b>	<b>726,481</b>	<b>7,432</b>

(Continued)

**Village of Round Lake Beach, Illinois**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**General Fund**  
**For the year ended April 30, 2008**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>Public Works</b>			
Salaries - full time	\$ 687,993	\$ 602,819	\$ 85,174
Salaries - part time	8,000	16,573	(8,573)
Overtime	35,000	40,507	(5,507)
Health insurance	132,529	147,150	(14,621)
IMRF	48,947	41,638	7,309
FICA	45,322	39,848	5,474
Medicare	10,599	9,319	1,280
Medical exams	-	62	(62)
Medical expenses	1,150	1,773	(623)
Training	2,250	1,065	1,185
Travel/Food	1,500	925	575
Clothing	7,640	5,047	2,593
Due and subscriptions	250	183	67
Safety equipment	3,500	3,160	340
Medical supplies	250	127	123
Office supplies	1,800	1,564	236
Telephone	8,850	3,529	5,321
Cellular phone	5,700	4,444	1,256
Utilities	56,400	22,494	33,906
Natural gas	45,000	47,251	(2,251)
Postage	75	117	(42)
Printing, advertising, publishing	850	903	(53)
Tech services	8,500	561	7,939
Data processing	685	641	44
Pre-employment screening	600	108	492
Janitorial services	23,431	26,754	(3,323)
Janitorial supplies	2,000	2,069	(69)
Parking lot improvements	-	38	(38)
Debris disposal	-	3,811	(3,811)
Contractual services	28,000	-	28,000
Furniture/fixtures	700	564	136
Equipment purchase	25,000	20,133	4,867
Equipment maintenance	25,700	22,731	2,969
Equipment lease	5,000	-	5,000
Vehicle accessories	6,000	930	5,070
Vehicle maintenance	30,000	29,064	936
Fuel/oil	33,600	43,236	(9,636)
Park maintenance	4,000	9,947	(5,947)
Storm sewer maintenance	8,280	8,964	(684)
Building maintenance	43,000	41,263	1,737
Landscape waste stickers	10,500	-	10,500
Street light maintenance	70,000	99,204	(29,204)
Traffic signal maintenance	23,000	26,690	(3,690)
Lifeguards	-	25,219	(25,219)
Lakefront	2,280	-	2,280

(Continued)

**Village of Round Lake Beach, Illinois**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**General Fund**  
**For the year ended April 30, 2008**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Public Works (Continued)</b>			
Pest control	\$ 41,000	\$ 39,964	\$ 1,036
Lakefront	-	2,409	(2,409)
Mowing contract	65,000	68,372	(3,372)
Street sweeping	15,000	12,206	2,794
Tree replacement	15,000	2,034	12,966
Graffiti removal	5,000	1,582	3,418
Holiday decorations	1,500	1,425	75
Miscellaneous	4,004	9,466	(5,462)
<b>Total Public Works</b>	<u>1,600,385</u>	<u>1,489,883</u>	<u>110,502</u>
<b>Community Events</b>	<u>40,000</u>	<u>42,368</u>	<u>(2,368)</u>
<b>Total Expenditures</b>	<u>\$ 9,658,859</u>	<u>\$ 9,501,909</u>	<u>\$ 156,950</u>

(Concluded)

**Village of Round Lake Beach, Illinois**  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**Special Revenue Funds**  
**For the year ended April 30, 2008**

	Motor Fuel Tax Fund		Civic Center Fund	
	Original and Final Budget	Actual	Original and Final Budget	Actual
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental				
Allotments from state of Illinois	790,000	746,927	-	-
Grants and contributions	-	-	22,000	8,000
Charges for services	-	-	85,040	42,544
Interest on investments	40,000	46,825	50	662
Other income	-	-	1,200	45
	<u>830,000</u>	<u>793,752</u>	<u>108,290</u>	<u>51,251</u>
<b>Total revenues</b>				
<b>Expenditures</b>				
General government	-	-	108,290	118,176
Capital outlay				
Civic center	-	-	-	405
Roadway improvements	935,000	453,590	-	-
TIF districts	-	-	-	-
	<u>935,000</u>	<u>453,590</u>	<u>108,290</u>	<u>118,581</u>
<b>Total expenditures</b>				
<b>Excess (deficiency) of revenues over expenditures</b>	<u>\$ (105,000)</u>	340,162	<u>\$ -</u>	(67,330)
<b>Fund Balance</b>				
May 1		<u>884,054</u>		<u>30,140</u>
April 30		<u>\$ 1,224,216</u>		<u>\$ (37,190)</u>

TIF # 3		Totals	
Original and Final Budget	Actual	Original and Final Budget	Actual
\$ 65,000	\$ 84,130	\$ 65,000	\$ 84,130
-	-	790,000	746,927
-	-	22,000	8,000
-	-	85,040	42,544
3,000	6,478	43,050	53,965
-	-	1,200	45
<u>68,000</u>	<u>90,608</u>	<u>1,006,290</u>	<u>935,611</u>
-	-	108,290	118,176
-	-	-	405
-	-	935,000	453,590
<u>120,000</u>	<u>107,493</u>	<u>120,000</u>	<u>107,493</u>
<u>120,000</u>	<u>107,493</u>	<u>1,163,290</u>	<u>679,664</u>
\$ <u>(52,000)</u>	(16,885)	\$ <u>(157,000)</u>	255,947
	<u>129,827</u>		<u>1,044,021</u>
\$	<u><u>112,942</u></u>	\$	<u><u>1,299,968</u></u>

**Village of Round Lake Beach, Illinois**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Debt Service Funds**  
**For the year ended April 30, 2008**

	TIF #1 Debt Service		Non Major General Obligation Debt	
	Original and Final Budget	Actual	Original and Final Budget	Actual
	<b>Revenues</b>			
Taxes	\$ 1,405,000	\$ 1,547,855	\$ 1,166,000	\$ 1,166,000
Intergovernmental	1,338,350	1,853,649	-	-
Interest on investments	45,000	127,185	67,800	66,618
<b>Total revenues</b>	<u>2,788,350</u>	<u>3,528,689</u>	<u>1,233,800</u>	<u>1,232,618</u>
<b>Expenditures</b>				
Debt service				
Principal	795,000	795,000	605,000	605,000
Interest	210,075	210,075	676,855	676,855
Bond issue costs	-	741	-	5,811
Fiscal agent fees	-	3,000	8,200	1,950
<b>Total expenditures</b>	<u>1,005,075</u>	<u>1,008,816</u>	<u>1,290,055</u>	<u>1,289,616</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>1,783,275</u>	<u>2,519,873</u>	<u>(56,255)</u>	<u>(56,998)</u>
<b>Other financing uses</b>				
Transfers out	(2,000,000)	(2,460,013)	-	-
<b>Total other financing uses</b>	<u>(2,000,000)</u>	<u>(2,460,013)</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues and other financing uses over expenditures</b>	<u>\$ (216,725)</u>	59,860	<u>\$ (56,255)</u>	(56,998)
<b>Fund Balance</b>				
May 1		<u>1,807,796</u>		<u>2,394,534</u>
April 30		<u>\$ 1,867,656</u>		<u>\$ 2,337,536</u>

Totals	
Original and Final Budget	Actual
\$ 2,571,000	\$ 2,713,855
1,338,350	1,853,649
112,800	193,803
<u>4,022,150</u>	<u>4,761,307</u>
1,400,000	1,400,000
886,930	886,930
-	6,552
8,200	4,950
<u>2,295,130</u>	<u>2,298,432</u>
<u>1,727,020</u>	<u>2,462,875</u>
<u>(2,000,000)</u>	<u>(2,460,013)</u>
<u>(2,000,000)</u>	<u>(2,460,013)</u>
\$ <u><u>(272,980)</u></u>	2,862
	<u>4,202,330</u>
	\$ <u><u>4,205,192</u></u>

**Village of Round Lake Beach, Illinois**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**Capital Projects Funds**  
**For the year ended April 30, 2008**

	TIF #1 Capital Project Fund		Bond Capital Projects Fund	
	Original and Final Budget	Actual	Original and Final Budget	Actual
<b>Revenues</b>				
Capital projects				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	75,000	-	7,500
Charges for services	-	-	-	-
Rental income	-	-	-	-
Interest on investments	90,000	140,974	115,000	140,704
Other income	-	-	-	-
Use of fund balance	3,060,618	-	-	-
<b>Total revenues</b>	<u>3,150,618</u>	<u>215,974</u>	<u>115,000</u>	<u>148,204</u>
<b>Expenditures</b>				
Current				
Economic development	-	58,085	-	-
Debt service				
Principal	89,609	96,471	-	-
Interest	10,400	10,335	-	-
Capital outlay	2,632,000	997,107	1,497,500	1,718,052
Reserve of fund balance	2,300,000	-	-	-
<b>Total expenditures</b>	<u>5,032,009</u>	<u>1,161,998</u>	<u>1,497,500</u>	<u>1,718,052</u>
Excess (deficiency) of revenues over expenditures	<u>(1,881,391)</u>	<u>(946,024)</u>	<u>(1,382,500)</u>	<u>(1,569,848)</u>
<b>Other financing sources</b>				
Transfer in	2,000,000	2,460,013	-	-
Proceeds from sale of equipment	-	-	-	-
Proceeds from equipment under capital lease	-	-	-	-
<b>Total other financing sources</b>	<u>2,000,000</u>	<u>2,460,013</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>\$ 118,609</u>	1,513,989	<u>\$ (1,382,500)</u>	(1,569,848)
<b>Fund Balance</b>				
May 1		<u>2,443,442</u>		<u>2,415,494</u>
April 30		<u>\$ 3,957,431</u>		<u>\$ 845,646</u>

Nonmajor General Improvement Fund		Totals	
Original and Final Budget	Actual	Original and Final Budget	Actual
\$ 478,674	\$ 490,017	\$ 478,674	\$ 490,017
442,000	388,251	442,000	470,751
18,750	1,250	18,750	1,250
34,392	47,733	34,392	47,733
10,000	28,758	215,000	310,436
-	96,422	-	96,422
-	-	3,060,618	-
<u>983,816</u>	<u>1,052,431</u>	<u>4,249,434</u>	<u>1,416,609</u>
-	22,616	-	80,701
-	-	89,609	96,471
-	-	10,400	10,335
869,484	695,959	4,998,984	3,411,118
-	-	2,300,000	-
<u>869,484</u>	<u>718,575</u>	<u>7,398,993</u>	<u>3,598,625</u>
<u>114,332</u>	<u>333,856</u>	<u>(3,149,559)</u>	<u>(2,182,016)</u>
-	-	2,000,000	2,460,013
19,000	17,313	19,000	17,313
-	41,427	-	41,427
<u>19,000</u>	<u>58,740</u>	<u>2,019,000</u>	<u>2,518,753</u>
\$ <u>133,332</u>	392,596	\$ <u>(1,130,559)</u>	336,737
	<u>818,574</u>		<u>5,677,510</u>
\$ <u>1,211,170</u>		\$ <u>6,014,247</u>	

**Village of Round Lake Beach, Illinois**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN**  
**NET ASSETS - BUDGET AND ACTUAL**  
**Waterworks and Sewerage Fund**  
**For the year ended April 30, 2008**

	Original and Final Budget	Actual	Variance Positive (Negative)
Operating revenues			
Charges for services	\$ 3,917,650	\$ 3,767,774	\$ (149,876)
Tap on fees	167,500	286,394	118,894
Total operating revenue	4,085,150	4,054,168	(30,982)
Operating expenses			
Administration	527,023	754,267	(227,244)
Operations	3,635,568	2,963,362	672,206
Total operating expenses	4,162,591	3,717,629	444,962
Operating income before depreciation	(77,441)	336,539	413,980
Depreciation	235,000	442,774	(207,774)
Operating income (loss)	(312,441)	(106,235)	206,206
Nonoperating revenues (expenses)			
Interest income	97,500	268,778	171,278
Interest expense	(52,697)	(64,581)	(11,884)
Grant revenue	75,000	-	(75,000)
Miscellaneous revenue	9,200	1,960	(7,240)
Other expense	(2,300)	(270)	2,030
	126,703	205,887	79,184
Income (loss) before contributions and transfers	(185,738)	99,652	285,390
Contributions and transfers	-	1,343,479	1,343,479
Change in net assets	\$ (185,738)	1,443,131	\$ 1,628,869
May 1		12,242,830	
April 30		\$ 13,685,961	