



*The
Village
of* ***Round Lake Beach***

Annual Budget
Fiscal Year 2011 – 2012
(May 1, 2011 – April 30, 2012)

**Village of Round Lake Beach
Fiscal Year 2011 – 2012
Annual Budget**

Mayor

Richard H. Hill

Board of Trustees

Judy Armstrong

Susan Butler

Jerry L. Mattingly, Senior Trustee

Larry T. Mount

Tom L. Smith, Sr.

Sylvia Valadez

Village Clerk

Margaret Cleveland

Village Administrator

David Kilbane

Finance Director

Brian C. Gosnell

Chief of Police

Gary Bitler

Director of Public Works

Keith Neitzke

Economic Development Director

Jon Wildenberg

Village Hall
1937 North Municipal Way
Round Lake Beach, Illinois 60073
(847) 546-2351
www.villageofroundlakebeach.org



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

Village of Round Lake Beach

Illinois

For the Fiscal Year Beginning

May 1, 2010

Two handwritten signatures are present. The signature on the left is more stylized and appears to be 'J. J.'. The signature on the right is 'Jeffrey R. Egan'.

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Village of Round Lake Beach, Illinois, for the Annual Budget beginning May 1, 2010. The Village has received this award for the 2nd consecutive year. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. The Village believes this current budget continues to conform to program requirements and will be submitting it to GFOA to determine its eligibility for another award.

Table of Contents

Budget Message.....	4
Budget Summary.....	6
Changes in Fund Balance.....	15
Operating Expenditures by Dept.....	17
Personnel Section.....	18
Revenue Detail.....	27
Comparison of Revenues.....	33
Schedule of Fees.....	38
General Fund.....	41
Water & Sewer Fund.....	54
Other Funds.....	59
Capital Improvement Fund.....	64
FY12 Capital Projects Maps	68
Appendix.....	71
The Budgeting Process.....	72
Statement of Financial Policies.....	73
Schedule of Outstanding Debt.....	75
Schedule of Debt Service Payments	76
Village Profile.....	77
Fund Descriptions.....	79
Glossary.....	80

Budget Message

To: Mayor and Board of Trustees
Residents of the Village of Round Lake Beach

The Village, and the economy as a whole, has experienced unprecedented financial difficulties in recent years resulting in declines in major revenue sources due to economic conditions. Coupled with increases in the costs of pensions and insurance, the Village was forced to make adjustments to maintain financial sustainability. In response the Village analyzed every service for a more cost effective delivery, and operating departments further analyzed expenditures in search of operating efficiencies that reduce the cost of providing Village services. This analysis resulted in reduced staffing levels for non-public safety related positions and increased services due to the utilization of contractors where the private sector can achieve expected service levels at a cheaper cost. These measures were implemented in Fiscal Year 2011 and analysis will continue throughout Fiscal Year 2012.

As a result of this analysis and the adjustments made as a result, the Village does not anticipate utilizing fund balance to cover operating expenditures in Fiscal Years 2011 or 2012. The Village's Management Team will continue to closely monitor the regional and national economic climate and pursue operating and staffing efficiencies as the long term economic recovery continues.

I am extremely proud of the efforts of the Village's Management Team who worked in a collective and cooperative manner in the development of the Fiscal Year 2011 - 2012 Annual Budget. Through their collaborative efforts I am proud to present to the Mayor and Village Board a balanced budget that while reducing costs maintains a high level of service to the residents of Round Lake Beach.

David Kilbane
Village Administrator

Round Lake Beach aspires to be a comfortable, family oriented community which provides a full range of public and commercial services to its residents. The Village government is committed to maintaining a safe and secure environment which offers everyone opportunities to prosper.

This budget includes the resources and uses of funds to support that vision for the fiscal year ending April 30, 2012.

The budget document is organized into several sections with the intent of presenting information in an easily understandable format. The **Budget Summary** includes an overview of the FY2012 budget as well as a Fund Balance Summary. The **Personnel Section** contains an organization chart of the Village and each individual department, as well as charts showing the Village's authorized personnel strength. The Village's staff is complemented by contractual services and temporary labor.

The **Revenue Detail** section provides a more detailed breakdown of the Village's historical revenues and projections for FY2012. The Village's two largest operating funds, the **General Fund** and the **Water and Sewer Fund**, each have their own section focusing on the detailed revenue streams and expenses of those two funds. All **Other Funds** are covered in the next section, which shows the revenues and expenses as well as the impact on fund balance for those funds.

The Capital Improvements section provides detailed information on the Village's **Capital Improvement Program**. In the **Appendix**, a description of the budgeting process, the Village's Financial Policies, debt schedules, a fund description, and various statistical data can be found, along with a glossary of the financial and budgetary terms used in this budget document.

BUDGET SUMMARY

Budget Goals

The budget goals for the Fiscal Year 2012 covering May 1, 2011 – April 30, 2012 were to propose a balanced budget that maintains existing services and service levels; adheres to the Village’s financial policies; does not rely on new or increased fees; continues with planned, necessary capital improvements; and meets all debt service obligations. The Village of Round Lake Beach Fiscal Year 2012 (FY12) Budget, balanced at \$33,781,973 in revenues and expenditures, meets these goals.

The FY12 Budget is a 17.48% decrease over the FY11 Budget. The total breaks down by type of fund as follows:

	FY11 Budget	FY12 Budget	% Change
Operating Funds			
General	10,200,179	10,220,725	0.20%
Water & Sewer	8,669,727	6,871,490	-20.74%
Metra Operations	28,350	32,010	12.91%
Civic Center	109,743	108,966	-0.71%
Total Operating Funds	19,007,999	17,233,191	-9.34%
Special Revenue Funds			
Police Special Revenue	26,697	28,577	7.04%
Housing & Redevelopment	327,250	252,400	-22.87%
MFT	1,274,169	935,445	-26.58%
TIF #2 Rebate	2,052,500	2,201,800	7.27%
Dollars for Scholars	6,000	-	-100.00%
Total Special Revenue Funds	3,686,616	3,418,222	-7.28%
Capital Projects Funds			
Water & Sewer Capital Projects	5,021,785	2,919,573	-41.86%
TIF #1 Capital Projects	4,972,867	3,654,000	-26.52%
TIF #3 Capital Projects	340,221	325,000	-4.47%
Bond Funded Capital Projects	3,071,000	2,961,000	-3.58%
General Capital Projects	430,171	445,142	3.48%
Total Capital Projects Funds	13,836,044	10,304,715	-25.52%
Debt Service Funds			
TIF #1 Debt Service	2,638,260	797,917	-69.76%
Bond Debt Service	1,771,340	2,027,928	14.49%
Total Debt Service Funds	4,409,600	2,825,845	-35.92%
Total All Funds	40,940,259	33,781,973	-17.48%

Note: Water & sewer Operating Fund includes capital transfer

Budget Challenges

Despite the difficult economy, the Village is committed to moving forward with planned and necessary capital projects. This is evidenced by the over \$10 million budget in the Capital Project Funds. These projects are being funded through the use of reserves (fund balance) which were specifically set aside for these purposes as well as grant monies and bond proceeds. The budget for operating funds has decreased by 9.34% or \$1,774,808, despite rapidly increasing costs of pensions and insurance.

Following nearly 3 years of decline, major revenue sources are expected to remain flat in 2012. Sales taxes are the largest source of General Fund operating revenue and are largely driven by consumer confidence and consumer spending. Sales taxes are projected to increase slightly in 2012. The increase is mainly due to the movement of a major retailer outside of the Village's TIF district, mitigating a sustained reduction in sales tax revenue. The pressure of the declining housing market on the Village's EAV, the basis for which property taxes are assessed, was mitigated due to the expiration of one of the Village's TIF districts. The Village's EAV actually increased slightly for tax year 2010. The Village Board adopted a flat property tax levy for tax year 2010 which will be collected in fiscal year 2012. Income taxes are the third largest source of General Fund revenue and are largely impacted by unemployment. Income taxes are projected to remain flat in the 2012 budget.

Increases in obligatory expenditures, including but not limited to liability and workers compensation insurance and pension contributions, made it necessary to cut operating expenditures in all departments. Full Time positions included in the 2012 budget have been reduced by 2 to 87. Efficiencies in staffing, particularly in the administrative and support functions, have allowed the Village to decrease operating costs to match stagnant revenues. Despite the need to reduce operating expenditures to match revenues, the Village has worked to maintain a consistent number of patrol officers to maintain public safety. The number of patrol officers included in the 2012 budget is the same as it was in the 2008 budget.

The Special Revenue Funds are isolated due to restricted uses for these funds. These funds include the Police Special Revenues Fund, the Housing & Redevelopment Fund, the Motor Fuel Tax (MFT) Fund, the Tax Increment Financing District (TIF) #2 Rebate Fund, and the Dollars for Scholars Fund. The Motor Fuel Tax Fund will utilize reserves to fund some of the capital projects mentioned above. The TIF #2 Rebate Fund reflects the anticipated amount received which is refunded to the Lake County Collector for distribution to the taxing districts within the TIF.

\$10.3 million will be invested in capital projects in FY12 as the Village moves ahead with planned capital improvements that are necessary to maintain and improve the Village's infrastructure. Anticipated projects included in the budget are sidewalk and pedestrian crossing improvements, a continued watermain replacement program in the Southwest portion of the Village, upgrades to wells that provide a back-up to the Village's water supply, and ongoing, annual maintenance to the water supply

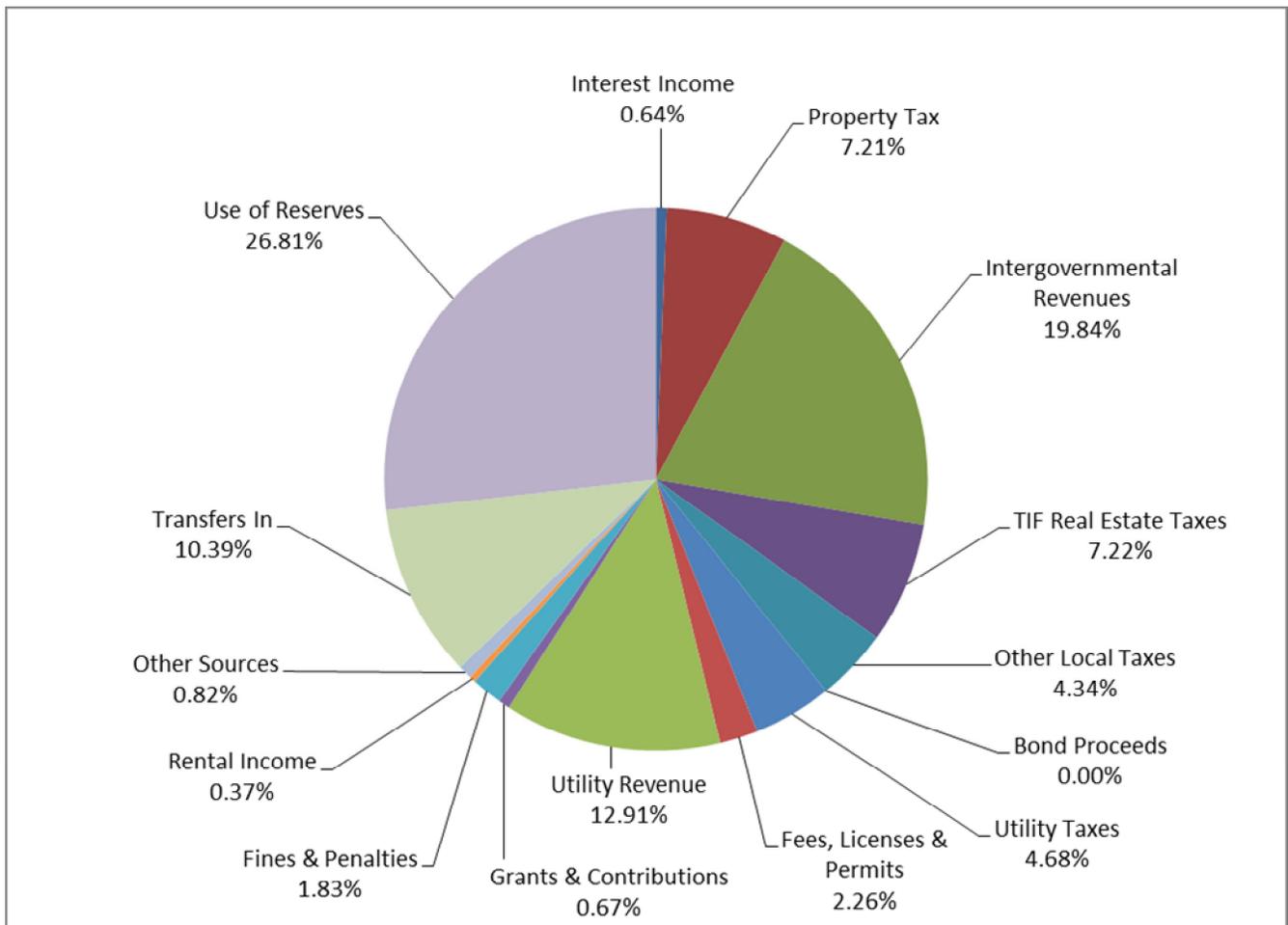
infrastructure. Road reconstruction and watermain replacement continues in the TIF districts and road resurfacing on the North side of the Village.

The Debt Service Funds budgets also show a 35.9% decrease from last year's budget. The decline in the TIF #1 Debt Service Fund is due to the expiration of the TIF district. The decrease will not impact the Village's ability to pay debt service on the 2003 TIF Revenue Bonds, but will decrease the amount transferred to the TIF#1 Capital Projects Fund for capital improvements.

Revenues and Expenditures

The Village's revenues and expenditures are broken into broad categories of sources (revenues) and uses (expenditures) in the charts on the following pages.

FY12 Sources of Funds

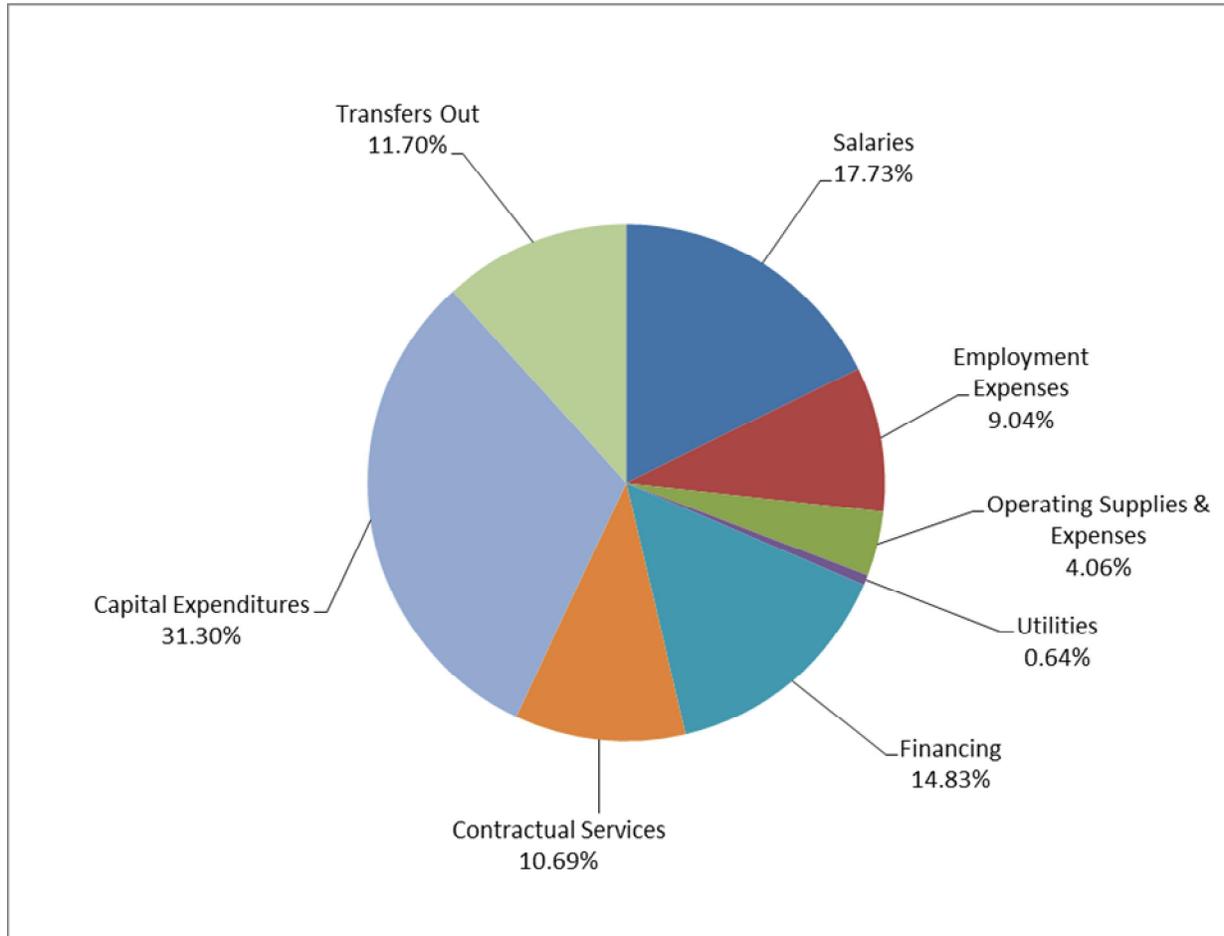


Because of the significant number of capital projects that are scheduled to be undertaken and that have been planned for many years, the largest source of revenue in the FY12 budget is **Use of Reserves** (26.81%). Reserves are funds set aside in prior years for use in future years. 19.84% of all revenues for FY12 are **Intergovernmental Revenues**. These revenues include Sales Tax, Personal Property Replacement Tax, Income Tax, Use Tax, and Motor Fuel Tax Allotments, which are received by the State and distributed to municipalities. **Transfers** make up 10.39% of the FY12 sources of funds. A transfer between funds is revenue for the receiving fund and an expense for the transferring fund. These exchanges transfer revenue from one fund to another, for purposes of funding capital improvement projects. **TIF-Related Revenues** (Sales & Property Tax) make up 7.22% of total revenues. **Utility Revenue** is the revenue earned in the Water and Sewer Fund for water charges, tap-in fees, customer fees, penalties, and other water-related activities. These make up 12.91% of overall revenues.

Other Local Taxes (e.g., Home Rule Sales Tax and Amusement Tax) make up 4.34% of total revenue. These are referred to as “other” local taxes because Property Taxes are categorized separately. **Property Taxes** fund 7.21% of the Village’s total budget for FY12. **Utility Taxes** (taxes on telecommunications, electricity and natural gas) make up 4.68% of the total budget.

Other Financial Sources include loan proceeds, and miscellaneous income. This category funds 0.82% of the FY12 budget. **Interest Income** makes up 0.64% of the FY12 budget. **Fines & Penalties; Fees, Licenses, & Permits, Rental Income and Contributions & Grants** all contribute 2.87% each to the overall FY12 budget. Additional detail is included in the Revenue Detail section starting on page 27.

FY12 Uses of Funds



Salaries make up 17.73% of the budget. The Village has an authorized strength of 87 full-time employees (excluding elected officials), and 91.2 Full-Time Equivalents (FTE's), when part time and seasonal employees are included. The staff is funded in three different operating budgets, the General Fund, the Water and Sewer Operations Fund, and the Civic and Cultural Center Fund. **Employment Expenses** include the employer portion of taxes, health insurance, pensions, liability and worker's compensation insurance, training and other personnel-related costs. These expenses make up 9.04% of the total budget. For the second straight year, the Village's contribution amounts to the pension funds have required significant increases to make up for significant investment losses in the economic downturn. **Utilities** comprise 0.64% of the total budget. **Contractual Services** comprise 10.69% of the FY12 budget. These are services that are conducted by a third party more economically than could be accomplished by the Village, including such things as street sweeping, water meter reading, pest control, etc. **Capital Expenditures** make up 31.30% of the Village expenditures for FY12. These include street, parking lot, and water infrastructure improvements, rehabilitation and replacements. **Financing Expenses** include debt service payments, bank fees, tax rebates, and other minor costs for property taxes and liens. These expenditures make up 14.83% of the FY12 budget. **Capital Project Transfers** make up 11.70% and are finance-related expenditures as well. As mentioned earlier, capital project transfers show as expenses in the fund that is making the

transfer to another fund. Reserves are surplus monies set aside in the current year to fund planned expenditures in future years.

Finally, 4.06% of the FY12 budget is comprised of **Operating Supplies/Expenses**. This category includes all of the goods and services used to conduct Village business, including telephone service, office supplies, small equipment purchases, vehicles, fuel, and many other operating expenses as detailed in the General Fund and Water & Sewer Fund sections starting on page 41.

The following chart provides historical perspective of the Sources and Uses of Funds for FY12 by comparing it to FY09 and FY10 actuals and the projected totals for FY11. Projected FY11 totals are based on ten full months of actual activity and estimates for the final two months, due to the timing of the budget process.

SOURCES & USES OF FUNDS – ALL FUNDS

	FY09 Actual	FY10 Actual	FY11 Projected	FY12 Budget
REVENUES				
Use of Reserves	-	-	-	9,055,262
Intergovernmental Revenues	6,739,035	7,198,509	7,107,451	6,702,717
Utility Revenue	3,788,387	3,698,681	3,930,914	4,362,570
Transfers In	2,806,217	2,132,897	3,123,839	3,509,784
TIF Real Estate Taxes	4,049,261	4,463,514	4,480,688	2,440,000
Property Tax	2,246,279	2,371,719	2,429,445	2,435,000
Utility Taxes	1,766,431	1,665,249	1,589,790	1,582,000
Other Local Taxes	1,400,210	1,431,088	1,461,723	1,465,500
Fees, Licenses & Permits	840,451	712,867	751,738	765,100
Fines & Penalties	563,514	605,310	629,359	619,880
Other Sources	340,051	24,149	39,731	275,611
Grants & Contributions	151,013	163,977	253,013	227,837
Interest Income	362,502	107,671	163,087	214,990
Rental Income	89,801	112,410	123,580	125,722
Financing Sources	-	3,660,418	3,000,000	-
	25,143,154	28,348,458	29,084,358	33,781,973
EXPENSES				
Salaries	5,853,653	5,950,504	5,750,461	5,988,610
Employment Expenses	2,582,233	2,710,304	2,794,779	3,055,313
Operating Supplies & Expenses	1,321,088	1,235,853	1,386,274	1,372,354
Utilities	301,780	281,154	242,582	217,810
Financing	6,010,193	5,175,712	5,366,341	5,010,470
Contractual Services	3,435,771	3,680,041	3,458,743	3,610,991
Capital Expenditures	2,631,441	6,207,875	9,967,593	10,574,960
Reserve for Fund Balance	-	-	-	-
Transfers Out	3,133,050	2,533,625	3,571,026	3,951,464
	25,269,209	27,775,070	32,537,799	33,781,972

Fund Balance

The operating budgets are balanced, in that revenues are equal to expenditures. Therefore, the fund balance of the General Fund does not change as a result of the FY12 budget. The General Fund's projected Fund Balance as of April 30, 2012, is \$6,449,955. The projected fund balance as a percentage of General Fund revenues is about 63%. This is considerably higher than the 25% benchmark that is required by the Village's Financial Policies (included in the Appendix), though the Village's undocumented policy is to maintain approximately six months operating expenses in reserves (equal to about 50% of General Fund budgeted revenues). This conservative methodology allowed the Village to absorb its first expected use of fund balance in FY10, and is expected to complete FY11 without the use of reserves.

The TIF#1 Capital Projects Fund will see a decline of nearly \$2.62 million in fund balance during FY12 as road/watermain replacement projects are scheduled to continue towards completion in that area. The Bond Capital Projects Fund will be nearly zeroed out by the end of FY12, with the completion of the North Side Road Resurfacing Project funded by the Series 2009 General Obligation bond issuance, and the South Southwest Basin roadwork funded by the 2010 General Obligation bond issue. The General Capital Improvements Fund fund balance is expected to increase slightly, due to vehicle and technology replacements that have been delayed due to the economy. Finally, the Water & Sewer Fund will see a decline in Fund Balance as the Village continues the use of reserves built up specifically for the purpose of replacing aging water and sewer infrastructure to fund capital improvements in FY12. The impact of FY12 budgeted revenue and expenditures on the April 30, 2011 fund balances for all of the funds can be found on the Combined Statements of Proposed Revenue/Expenditures & Fund Balances on pages 15 and 16.

Department Expenditures

The FY12 General Fund budget is an increase of 0.20% over the FY11 budget. The Village again decreased non-personnel operating expenditures to offset declining General Fund revenues, most dramatically Income Tax and Natural Gas Utility Tax. Other fee, permit and license revenue related to development have also declined. Village staff was able to decrease certain operating expenditures through process changes and efficiency measures. Certain other expenditures were delayed until a future budget. Prior staffing adjustments in the Police and Public Works departments also helped to decrease overall expenditures.

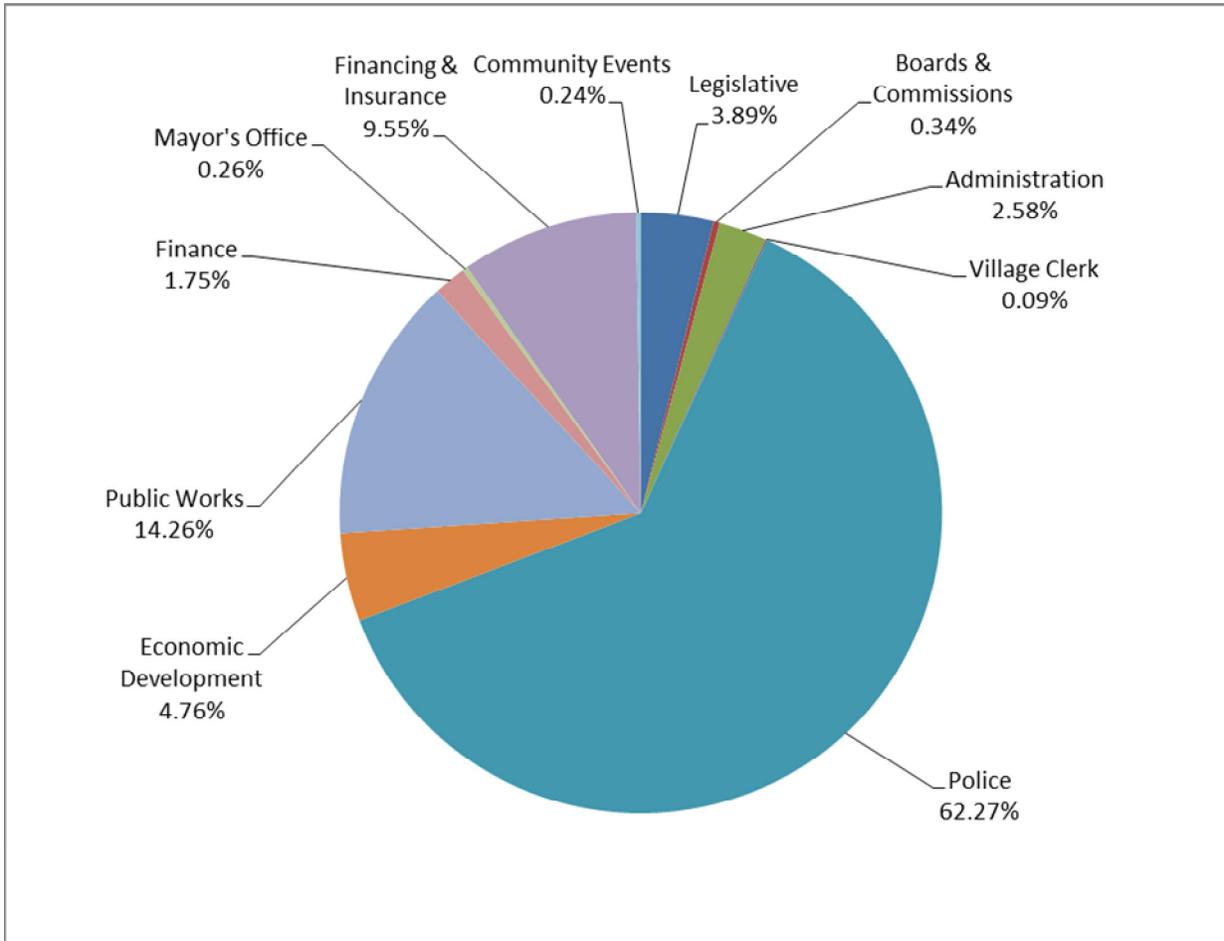
The chart on page 17 shows the breakdown of General Fund expenditures by department. The Police Department is fully funded in the General Fund and makes up 62.27% of the total fund budget. The Public Works, Administration, and Finance Departments support both the General Fund and Water and Sewer Fund operations, so their personnel and operating expenses are allocated proportionately between those two funds. The Public Works department makes up 14.26% of the General Fund budget, while the Economic Development Department and Legislative Branch each make up around 4.76% and 3.89% of the General Fund budget respectively. The Administration and Finance Departments comprise approximately 2.58% and 1.75% of the budget in the General Fund respectively.

The Financing and Insurance section of the pie chart does not reflect expenditures incurred by a particular department. Rather, the expenses related to debt service payments and insurance costs are isolated into their own section of the budget. These costs make up 9.55% of the total

budget. The Mayor's Office, Village Clerk, Boards & Commissions, and Community Events budgets each make up a very small portion of the overall budget.

A Summary of Operating Expenditures by Department is shown on page 17. The detailed FY12 expenditures by type for each department are included in the General Fund section starting on page 41.

FY12 General Fund Expenditures by Department



Personnel

In response to economic conditions and the impact on Village revenue sources, staffing adjustments made in FY2011 in the Police and Public Works departments are reflected in the FY2012 budget. The personnel section starting on page 18 provides information on these changes.

COMBINED STATEMENT OF PROPOSED REVENUE/EXPENDITURE & CHANGES IN FUND BALANCES Year Ended April 30, 2012

	GOVERNMENTAL FUNDS							
	General Fund (Funds 01 and 09)	TIF #2 Special Revenue	TIF #1 Debt Service	TIF #1 Capital Projects	Bond Capital Projects	General Capital Improve- ments	Civic Center Operations	TIF #3 Capital Projects
Revenues								
Property Taxes	\$2,402,000	\$2,200,000				\$130,000		\$110,000
Other Local Taxes	\$1,478,500					\$154,000		
Intergovernmental Revenues	\$5,217,000		\$793,717			\$50,000		
Sales & Charges for Service	\$595,825						\$84,050	
Fines & Forfeitures	\$454,500							
Contributions & Grants	\$0				\$90,000		\$24,916	
Miscellaneous	\$150,300	\$1,800	\$4,200	\$8,500	\$15,000	\$111,142		\$100
Total Revenues	\$10,298,125	\$2,201,800	\$797,917	\$8,500	\$105,000	\$445,142	\$108,966	\$110,100
Expenditures								
General Government	\$1,380,864					\$85,558	\$108,966	
Police	\$6,364,055					\$72,445		
Public Works	\$1,457,638					\$284,899		
Economic Development	\$739,182					\$2,240		
Debt Service								
Principal	\$491,386		\$495,000					
Interest	\$40,000		\$71,843					
Fiscal agent fees			\$3,000	\$5,000				
Capital Outlay				\$3,649,000	\$2,961,000			\$325,000
Total Expenditures	\$10,473,125	\$0	\$569,843	\$3,654,000	\$2,961,000	\$445,142	\$108,966	\$325,000
Excess (deficiency) of revenues over expenditures	(\$175,000)	\$2,201,800	\$228,074	(\$3,645,500)	(\$2,856,000)	\$0	\$0	(\$214,900)
Other Financing Sources (uses)								
Transfers in/Proceeds from Sale	\$175,000			\$228,074				
Transfers out	\$0	\$2,201,800	\$228,074					
Total Financing Sources (Uses)	\$175,000	\$2,201,800	\$228,074	\$228,074	\$0	\$0	\$0	\$0
Net Change in Fund Balance	\$0	\$0	\$0	(\$3,417,426)	(\$2,856,000)	\$0	\$0	(\$214,900)
Fund Balance - May 1, 2011 (projected)	\$6,165,671	\$589	\$2,173,595	\$4,005,321	\$3,465,176	\$757,119	\$0	\$259,425
Fund Balance - April 30, 2012 (projected)	\$6,165,671	\$589	\$2,173,595	\$587,895	\$609,176	\$757,119	\$0	\$44,525

COMBINED STATEMENT OF PROPOSED REVENUE/EXPENDITURE & CHANGES IN FUND BALANCES Year Ended April 30, 2012

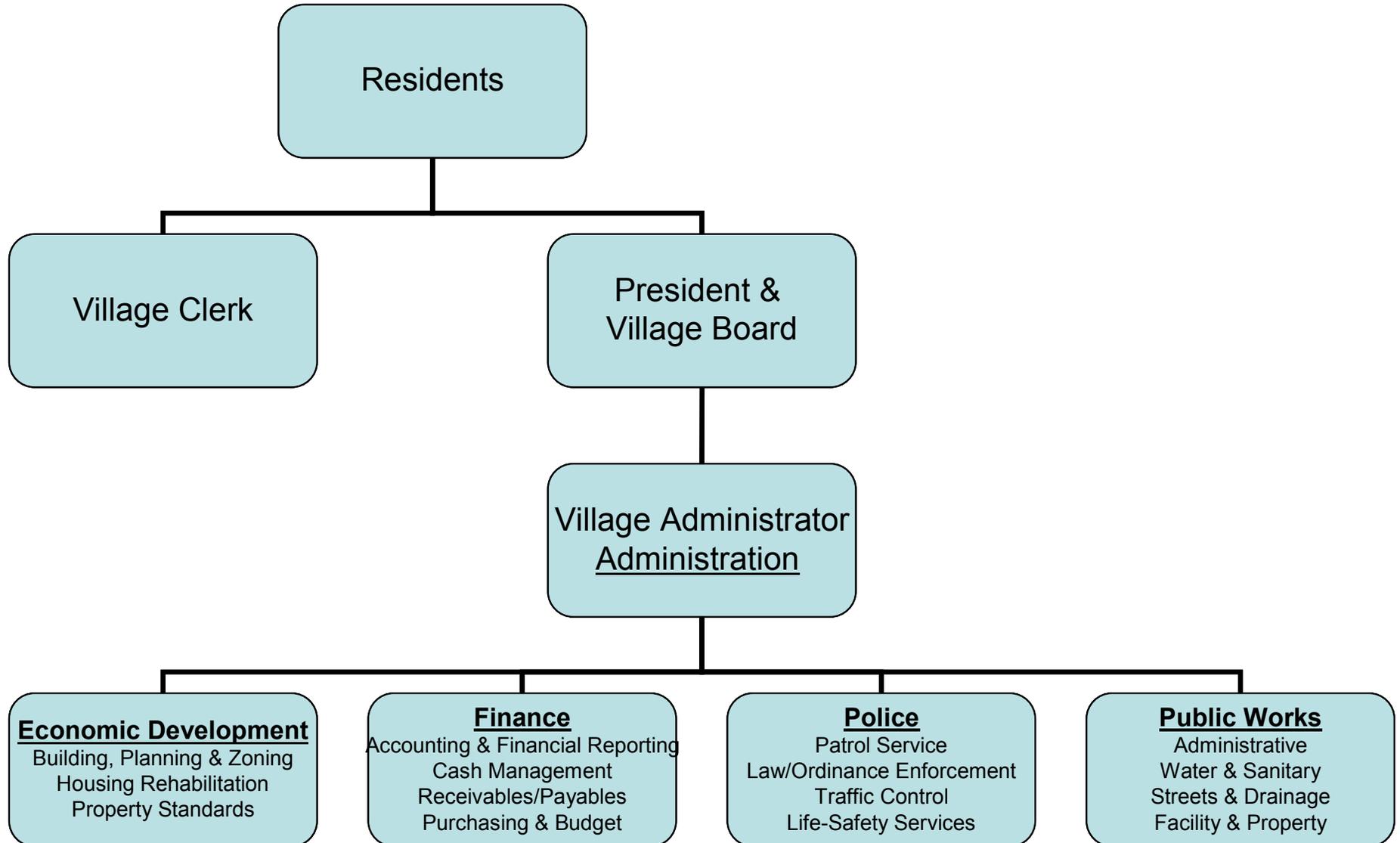
	SPECIAL REVENUE FUNDS				PROPRIETARY FUND	TOTAL -
	Police Special Revenue	Metra Operations	Motor Fuel Tax	GO Debt Service	Water & Sewer (Operations + Capital Projects)	ALL FUNDS
Revenues						
Property Taxes						\$8,094,974
Other Local Taxes				\$1,415,000		\$6,925,740
Intergovernmental Revenues			\$675,000			\$1,472,260
Sales & Charges for Service		\$32,000			\$4,362,570	\$4,767,313
Fines & Forfeitures	\$8,500				\$210,380	\$714,880
Contributions & Grants	\$20,000				\$92,921	\$159,786
Miscellaneous	\$77	\$10	\$54,049	\$65,870	\$30,000	\$502,959
Total Revenues	<u>\$28,577</u>	<u>\$32,010</u>	<u>\$729,049</u>	<u>\$1,480,870</u>	<u>\$4,695,871</u>	<u>\$22,637,912</u>
Expenditures						
Current						
General Government		\$32,010			\$887,622	\$2,423,371
Police	\$28,577					\$6,133,186
Public Works			\$584,970		\$3,249,216	\$5,655,680
Economic Development						\$790,500
Debt Service						
Principal				\$1,165,000	\$119,070	\$3,024,331
Interest				\$859,928	\$50,580	\$1,078,033
Fiscal agent fees				\$3,000		\$18,500
Capital Outlay					\$2,749,923	\$11,105,991
Total Expenditures	<u>\$28,577</u>	<u>\$32,010</u>	<u>\$584,970</u>	<u>\$2,027,928</u>	<u>\$7,056,411</u>	<u>\$30,229,592</u>
Excess (deficiency) of revenues over expenditures	\$0	\$0	\$144,079	(\$547,058)	(\$2,360,540)	(\$7,591,680)
Other Financing Sources (uses)						
Transfers in				\$547,058	\$2,734,652	\$5,056,185
Transfers out			\$350,475		\$2,734,652	\$6,712,102
Total Financing Sources (Uses)	<u>\$0</u>	<u>\$0</u>	<u>(\$350,475)</u>	<u>\$547,058</u>	<u>\$0</u>	<u>(\$1,655,917)</u>
Net Change in Fund Balance	\$0	\$0	(\$206,396)	\$0	(\$2,360,540)	(\$9,247,597)
Fund Balance - May 1, 2011 (projected)	\$77,584	\$10,714	\$532,615	\$2,788,587	\$3,291,116 (1)	\$22,368,839
Fund Balance - April 30, 2012 (projected)	\$77,584	\$10,714	\$326,219	\$2,788,587	\$930,576	\$13,121,242

(1) Represents unrestricted Net Assets

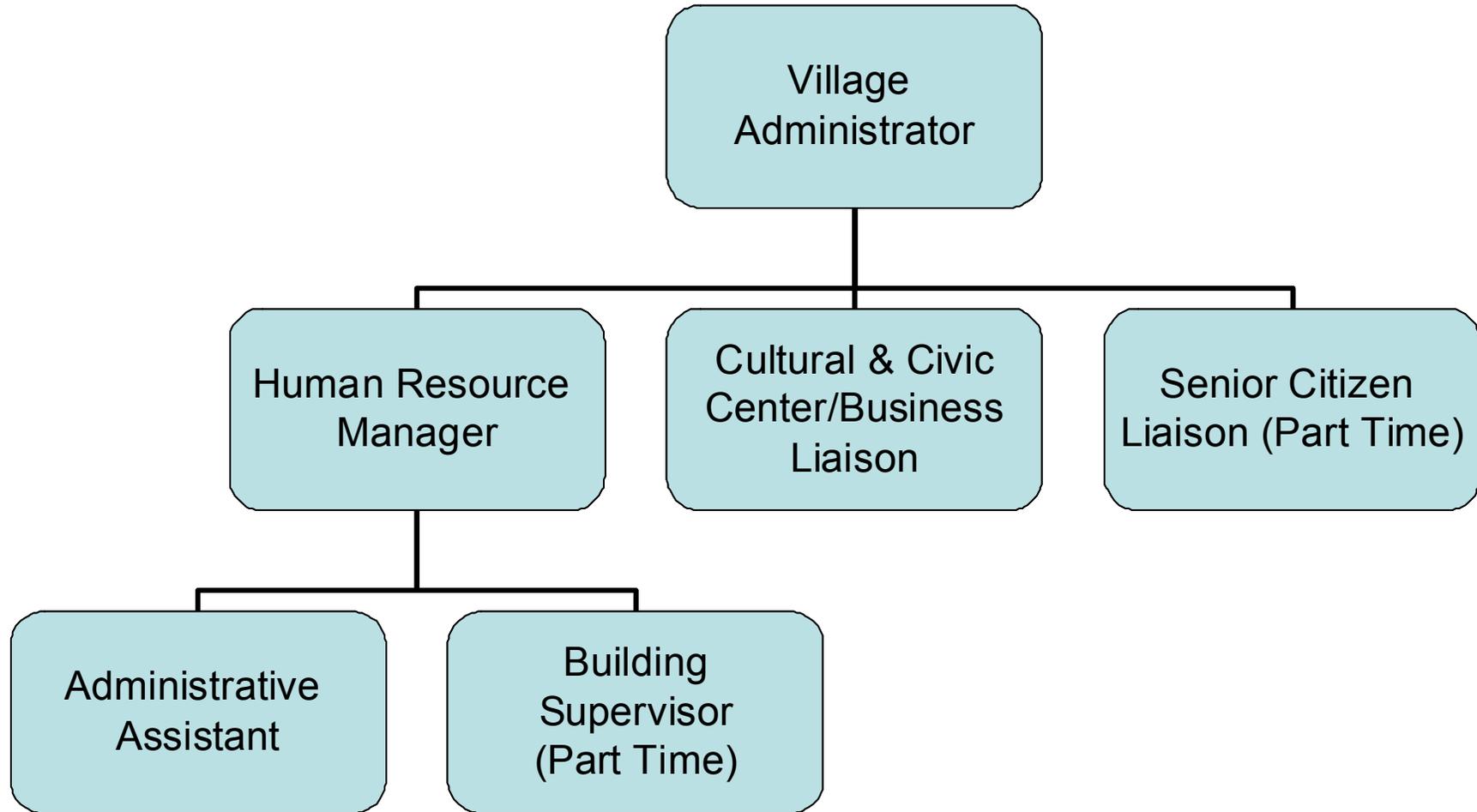
Summary of Operating Expenditures by Department							
	<u>Employment</u>	<u>Operating</u>	<u>Contractual</u>		<u>Total</u>	<u>Total</u>	<u>%</u>
	<u>Expenses</u>	<u>Supplies &</u>	<u>Services</u>	<u>Transfers</u>	<u>FY12 Budget</u>	<u>FY11 Budget</u>	<u>Change</u>
		<u>Expenses</u>					
General Fund							
Legislative	32,258	23,875	313,000	-	397,933	408,413	-2.57%
Boards & Commissions	2,677	3,539	24,750	-	34,686	29,277	18.48%
Administration	75,537	20,445	-	-	264,162	265,901	-0.65%
Village Clerk	2,176	4,900	-	-	9,163	9,174	-0.12%
Police	1,861,778	201,308	563,313	-	6,364,055	6,017,024	5.77%
Economic Development	108,399	23,241	47,800	-	486,782	454,290	7.15%
Public Works	259,053	182,214	359,310	-	1,457,638	1,516,868	-3.90%
Finance	21,001	18,180	60,350	-	178,705	194,987	-8.35%
Mayor's Office	5,614	1,275	-	-	26,990	27,039	-0.18%
Financing & Insurance	146,733	3,400	147,983	638,263	975,611	1,252,206	-22.09%
Community Events	-	25,000	-	-	25,000	25,000	0.00%
	2,515,226	507,378	1,516,506	638,263	10,220,726	10,200,179	0.20%
Water & Sewer Fund							
Administration	54,564	1,865	-	-	172,239	169,278	1.75%
Public Works	257,247	262,829	146,607	-	1,371,588	1,414,311	-3.02%
Finance	82,164	44,544	46,550	-	433,417	431,043	0.55%
Financing & Insurance	134,233	133,733	1,861,378	2,734,652	4,863,996	6,655,094	-26.91%
	528,208	442,971	2,054,535	2,734,652	6,841,240	8,669,726	-21.09%

PERSONNEL

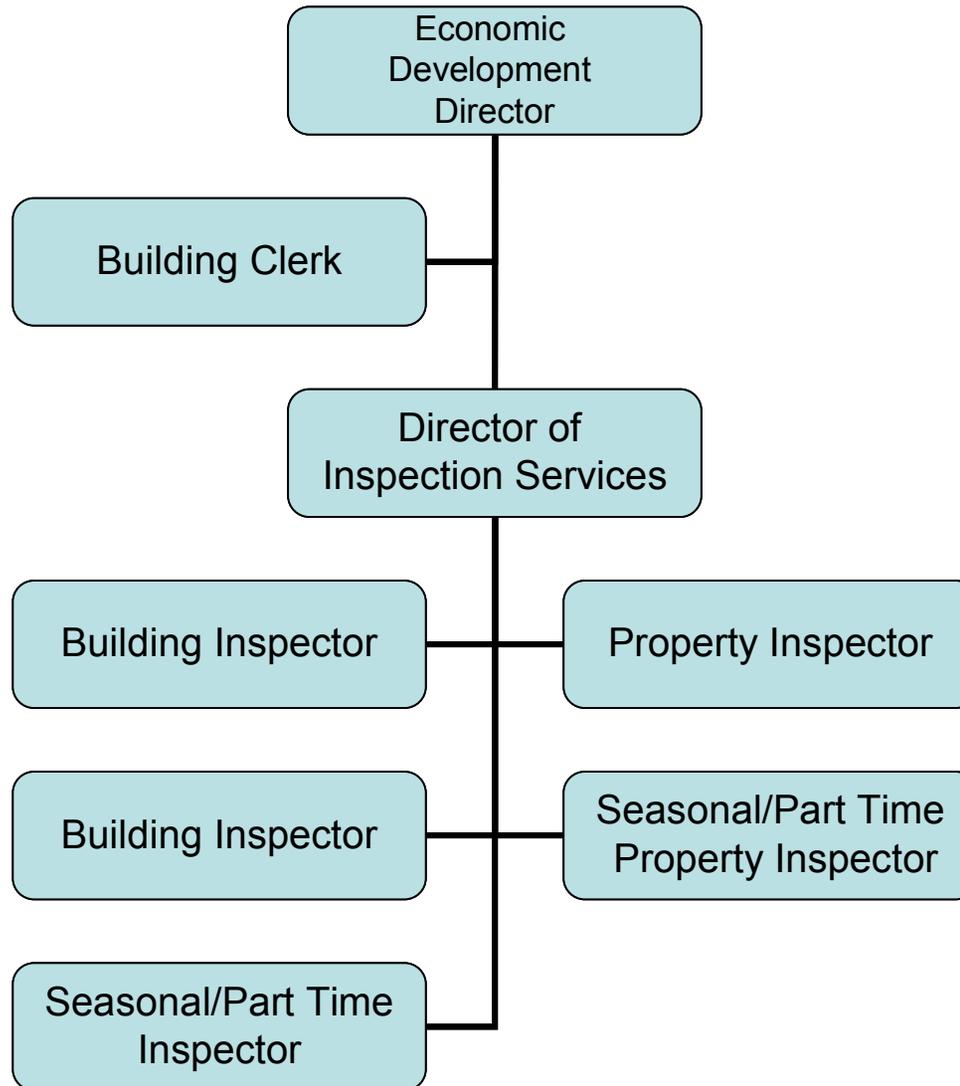
VILLAGE OF ROUND LAKE BEACH



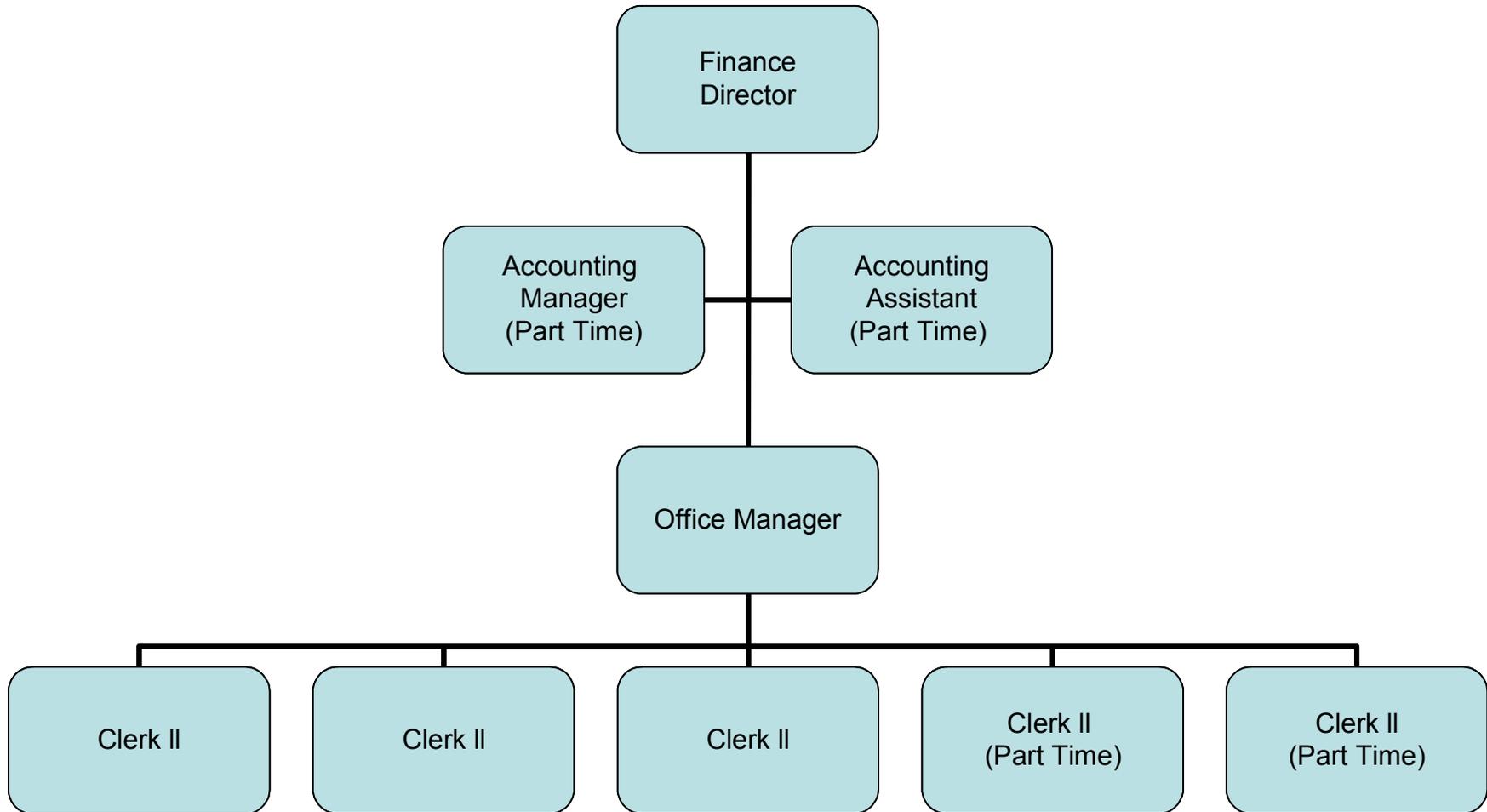
Administration

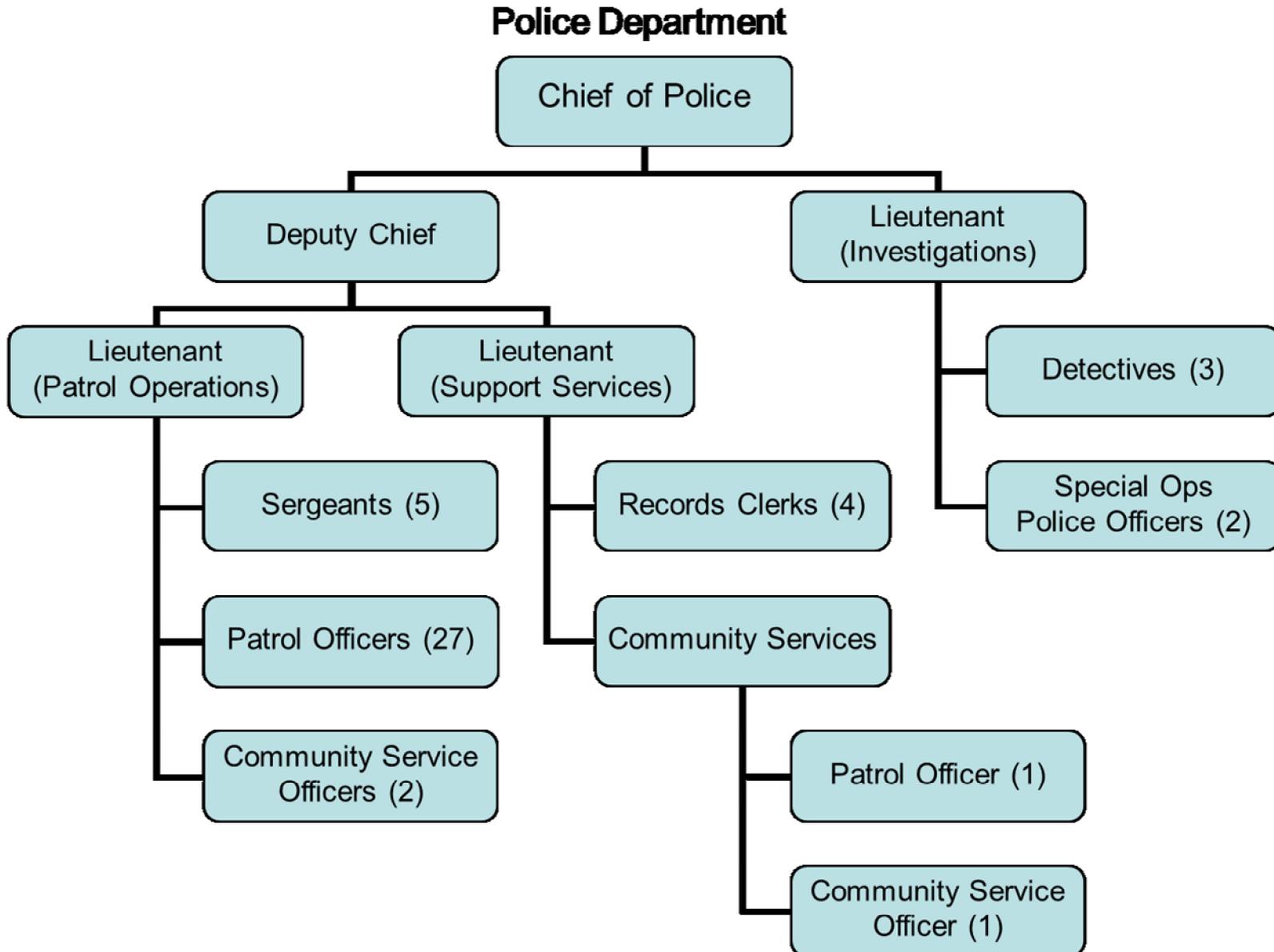


Economic Development Department

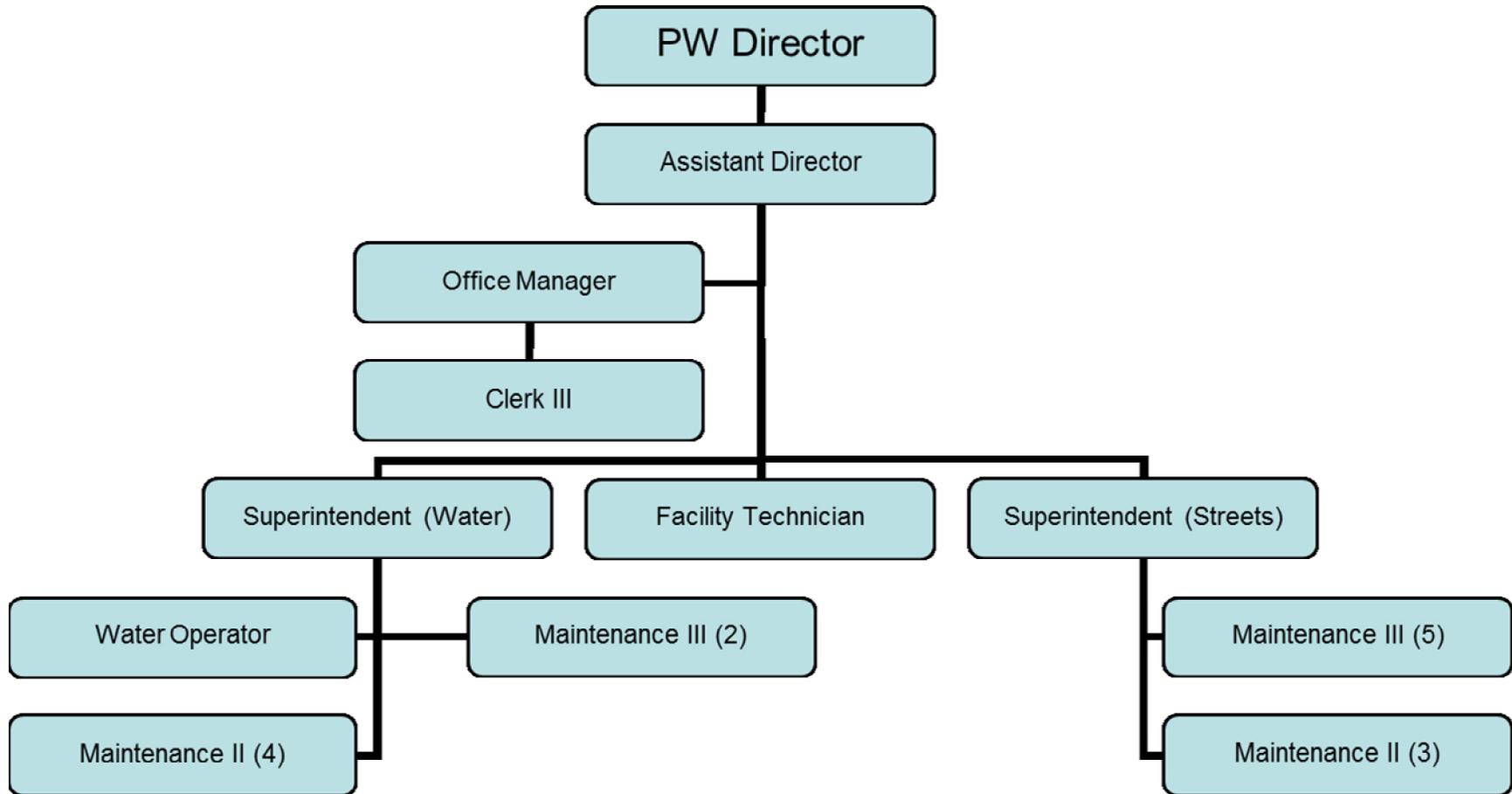


Finance Department





Public Works Department



**SUMMARY OF FULL-TIME AND PART-TIME POSITIONS in Full-Time Equivalents (FTE's)
AUTHORIZED IN FISCAL YEAR BUDGET**

Fiscal Year	Administration/ Civic Center	Economic Development	Finance	Police	Public Works	TOTAL
2011 - 2012						
Full-Time	4.0	6.0	5.0	50.0	22.0	87.0
Part-Time FTE	0.8	0.6	2.4	0.4	0.0	4.2
Total	4.8	6.6	7.4	50.4	22.0	91.2
2010 - 2011						
Full-Time	4.0	6.0	5.0	49.0	25.0	89.0
Part-Time FTE	0.8	0.6	2.4	0.4	0.0	4.2
Total	4.8	6.6	7.4	49.4	25.0	93.2
2009 - 2010						
Full-Time	4.0	6.0	5.0	54.0	27.0	96.0
Part-Time FTE	1.1	0.3	2.2	0.4	0.8	4.8
Total	5.1	6.3	7.2	54.4	27.8	100.8
2008 - 2009						
Full-Time	4.0	6.0	5.0	56.0	28.0	99.0
Part-Time FTE	1.1	0.7	2.2	0.4	0.8	5.2
Total	5.1	6.7	7.2	56.4	28.8	104.2
2007 - 2008						
Full-Time	4.0	6.0	5.0	54.0	27.0	96.0
Part-Time FTE	0.8	0.7	2.2	0.4	0.8	4.9
Total	4.8	6.7	7.2	54.4	27.8	100.9

**FULL TIME POSITIONS
AUTHORIZED IN THE FISCAL YEAR BUDGET**

	FY2008	FY2009	FY2010	FY2011	FY2012	2012 Vs. 2011
Department/Position						
Administration/Civic Center	4	4	4	4	4	0
Village Administrator	1	1	1	1	1	0
Human Resources Manager	1	1	1	1	1	0
Administrative Assistant	1	1	1	1	1	0
New Business/Facility Manager	1	1	1	1	1	0
Economic Development	6	6	6	6	6	0
Economic Development Director	0	0	0	1	1	0
Director, Inspection Services	1	1	1	1	1	0
Building Inspector	2	2	2	2	2	0
Property Inspector	2	2	2	1	1	0
Clerk II	1	1	1	1	1	0
Finance	5	5	5	5	5	0
Finance Director	1	1	1	1	1	0
Office Manager	1	1	1	1	1	0
Clerk II	3	3	3	3	3	0
Police	54	56	54	49	50	1
Chief	1	1	1	1	1	0
Deputy Chief	2	2	2	1	1	0
Lieutenant	3	3	3	3	3	0
Sergeant	5	5	5	5	5	0
Patrol Officer	33	35	33	31	33	2
Community Service Officer	4	4	4	4	3	-1
Executive Secretary	1	1	1	0	0	0
Records Clerk	5	5	5	4	4	0
Public Works	27	28	27	25	22	-3
Director	1	1	1	1	1	0
Assistant Director	1	1	1	1	1	0
Office Manager	0	1	1	1	1	0
Clerk III	2	1	1	1	1	0
Superintendent	1	2	2	2	2	0
Water Operator	1	1	1	1	1	0
Maintenance I	2	2	1	0	0	0
Maintenance II	11	11	11	10	7	-3
Facilities Technician	1	1	1	1	1	0
Maintenance III	7	7	7	7	7	0
Total Full Time Employees	96	99	96	89	87	-2

REVENUE DETAIL

This section breaks down the Village’s sources of funds into greater detail. The Village uses a conservative approach in estimating revenue for the annual budget. Each individual source of revenue is analyzed, with the anticipation that actual revenue collections as a whole will be at or just above the total budgeted amount. The methods used are analysis of historical actual figures, statistical techniques, forecasts by experts on such trends as the economy, inflation, retail sales, and local factors (e.g., unemployment, development, retail growth, etc.), and other factors pertinent to each individual revenue source.

Over 75% of the Village’s revenues come from eight sources of revenue. These revenues and their relationship to the total revenue amount of \$33,781,973 are shown and described in detail below:

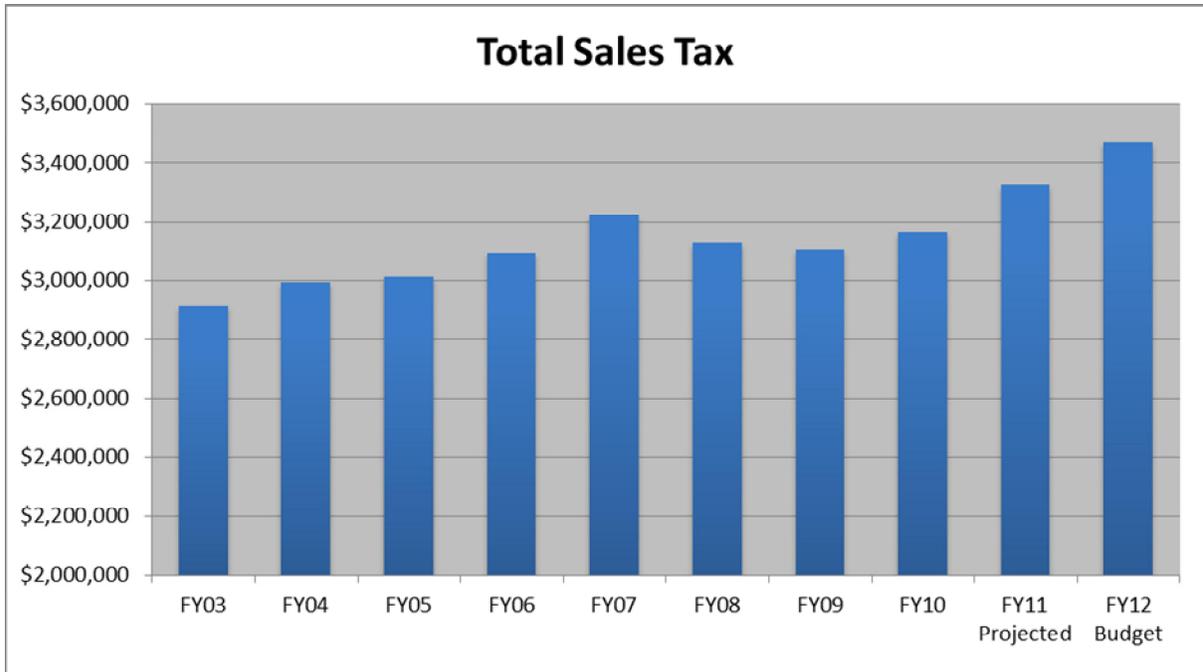
<u>Revenue Source</u>	<u>FY12 Budget</u>	<u>% of Total Revenue</u>
Use of Reserves	9,055,262	26.81%
Utility Revenue	4,362,570	12.91%
Sales Taxes	2,850,000	8.44%
TIF Real Estate Taxes	2,440,000	7.22%
Property Tax	2,435,000	7.21%
Income Tax	2,000,000	5.92%
Utility Taxes	1,582,000	4.68%
Home Rule Sales Tax	1,135,000	3.36%
	<u>25,859,832</u>	<u>76.55%</u>

Use of Reserves make up over one quarter of the Village’s sources of revenue in the FY12 budget. This is due to the heavy emphasis on capital projects in FY12, infrastructure improvements that have been scheduled with monies set aside specifically for this purpose. This total of over \$9 million is primarily funded in the TIF Capital Project Funds, the Water & Sewer Fund, and the Bond Funded Capital Projects Fund, with smaller amounts in the Motor Fuel Tax Fund, and the General Capital Improvements Fund.

Utility Revenue constitutes the second largest source of revenue for the FY12 budget, with an estimate of \$4,362,570. This includes not only water sales to Village residents, but sewer fees and water that is sold to Round Lake Heights. This is an unpredictable revenue stream, as it is greatly impacted by the weather in the summer months. The base water rate is anticipated to increase mid-way through FY12, as the Village continues incremental increases based on long range financial forecasts. The Village’s Board regularly reviews the water and sewer rate to ensure that the charges are sufficiently covering current cost of operations as well as necessary current and future infrastructure maintenance and improvements.

Sales Tax is projected to generate approximately 8.44% of the overall Village revenue in FY12. The Village receives 1% as the municipal share of the 6.25% statewide rate on general merchandise and the entire 1% collected on qualifying food, drugs, and medical appliances for taxable sales made within the corporate limits of the Village. Sales tax is a difficult revenue stream to predict, easily impacted by the national and local economy. Historical actual (not budgeted) data regarding the Village’s sales tax revenue is provided in the following chart. Please note that the revenue included for the last two months of FY11 is

estimated, since the revenue has not yet been received. The reason for the significant increase starting in FY11 is because one of the Village’s largest retailers has moved out of the TIF and into the general distribution of monthly sales tax distributions thus redirecting sales tax dollars to the General Fund.

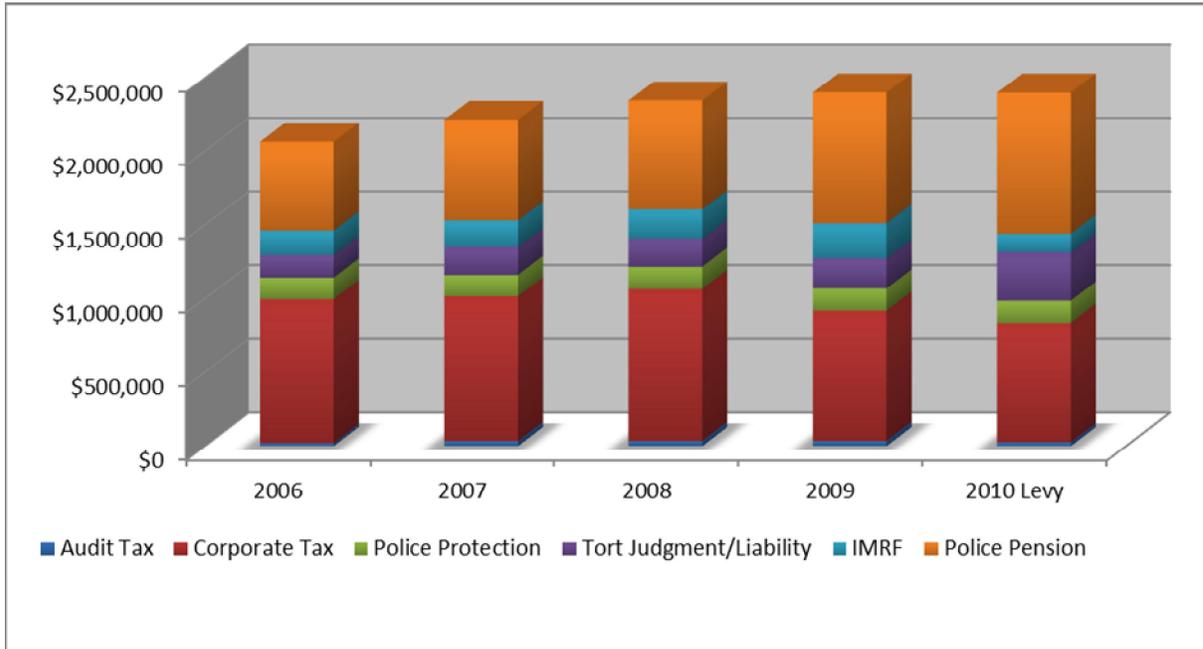


Tax Increment Finance (TIF) Real Estate Taxes are budgeted to generate 7.22% of the total revenue for the Village in FY12. This is a restricted revenue source, meaning that all property tax receipts resulting from increases in the equalized assessed valuation of each tax code located within the TIF Districts above the base tax year level must be used to fund capital improvement projects which leverage private development within the District. This has no impact on the property owner -- his or her property tax is the same, based on the equalized assessed value of the property. However, part of the revenues that would have been delivered to other taxing bodies, such as the Park District or School District, go to the Village to pay for the community improvements which benefit the TIF area. The entire amount the Village receives for TIF#2 (approximately \$2,200,000 of the total for FY12) is declared “surplus revenue” and is reimbursed back to the Lake County Collector for distribution to all the taxing districts within the TIF district.

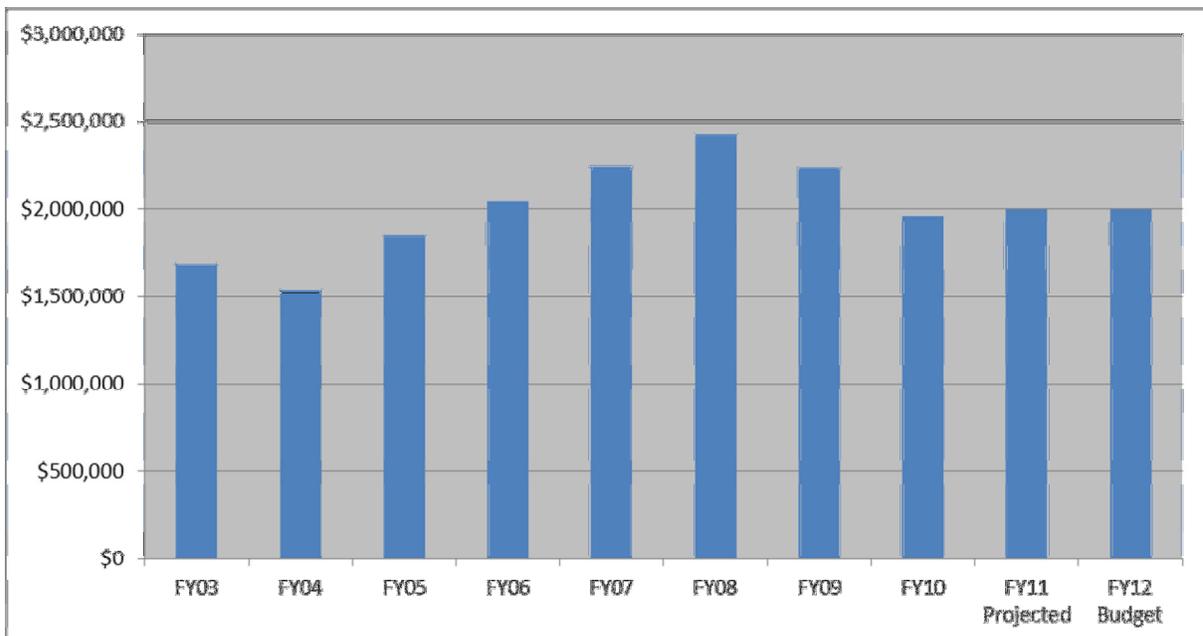
Real Estate or Property Taxes make up just over 7.21% of the total revenue for FY12, nearly \$2.45 million. This revenue is a tax assessed on all properties within the Village boundaries. It is one of the most stable and predictable revenues available to the Village. The Village Board recognized the financial pressure its residents are facing and once again chose not to raise the 2010 tax levy which is distributed in 2011 for the FY12 budget year. Real Estate Tax is a good revenue source to provide funding for those services which would be impractical to support through fees, such as police service and other public safety operations.

The following chart shows the five-year history of the tax levy imposed by the Village. As is evidenced on the chart, the dollar amount has remained relatively flat since 2006. However, the portion going toward pension contribution obligations and liability insurance is getting larger.

**TAX AMOUNT LEVIED
TAX YEAR 2006 – 2010**



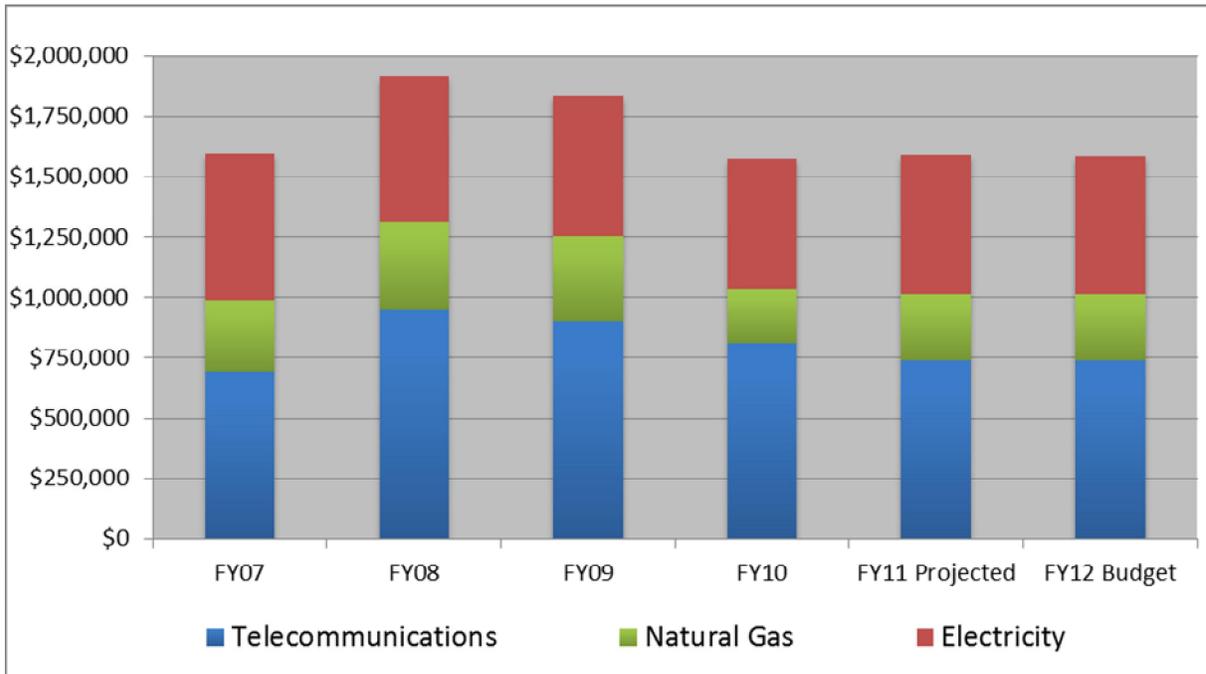
The **Illinois Income Tax** rate is 5% for individuals, trusts, estates and corporations. One-tenth of the net collections (gross collections minus refunds) is distributed to municipal and county governments in proportion to their population as compared to the total state population. This source provides 5.92% or \$2 million of total revenue. This revenue stream goes into the General Fund for general operating expenditures. There has been a significant drop in this revenue stream since its peak in FY08.



Once again, the FY11 total shown in the above chart includes projections for the last three months of the fiscal year, because the revenue is not yet received.

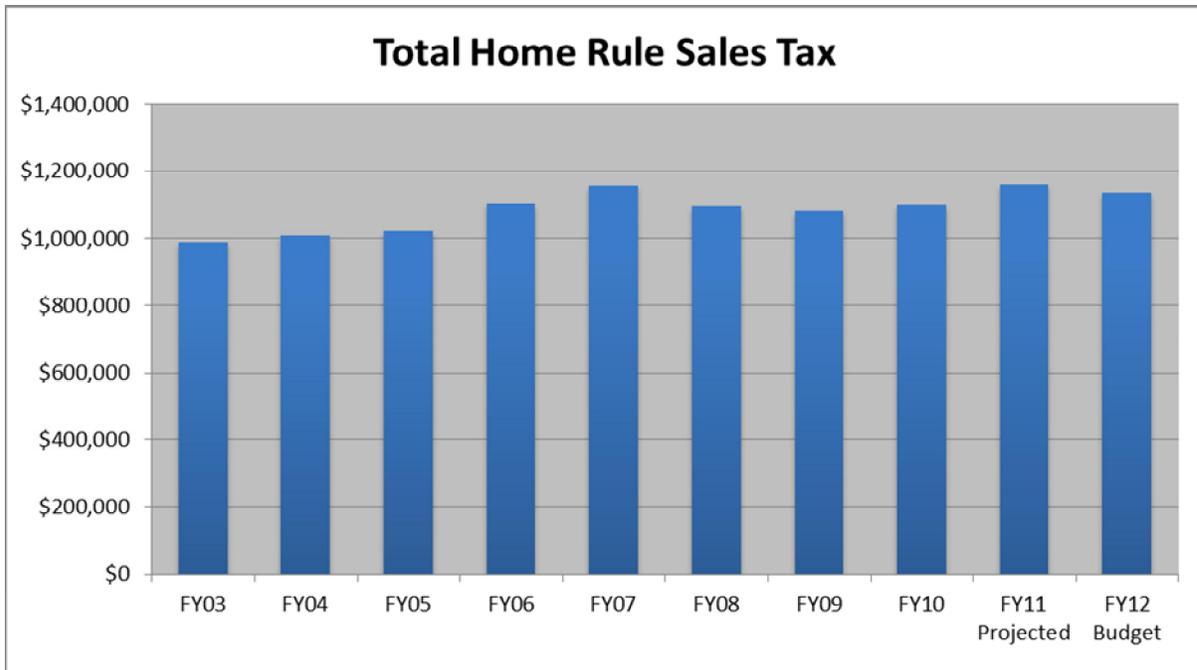
Utility Taxes are established by the Village and collected by the utility companies for telecommunications, gas and electricity. The collected amounts are then passed on to the Village on a monthly basis. These taxes are considered “use taxes” since the amount assessed is greater for those who use more of the utilities. The Village enacted the “Simplified Telecommunications Tax” which means that the tax on telecommunications is collected by the State and distributed to the Village on a monthly basis. These combined taxes provide 4.68% of the total amount of revenue in FY12.

The chart that follows shows the historical trend for Utility Taxes. After a very strong year in FY08, high fuel prices drove cuts in demand. The expected totals for FY11 (with projected for the last two months since these have not been received) remain relatively constant for the next fiscal year.



Home Rule Sales Tax is projected to provide just over \$1.1 million in revenue for FY12. The Village has imposed a 0.5% tax on local purchases of personal property. It is not an intergovernmental revenue like regular sales tax and is not susceptible to the State’s annual budgeting considerations. However, it is assessed against the same sales transactions and, like sales tax, is a volatile revenue source that quickly reflects changes in the local economy.

The revenue generated by Home Rule Sales Tax is first used to fund debt service on the outstanding general obligation debt of the Village. The Village chooses to use this source rather than imposing general property taxes. After debt service needs are met, the revenue is allocated between the General Fund for operating expenditures and the General Capital Improvements Fund.



The next portion of this section shows the detail of all Village-wide revenues, by fund, entitled the Comparison of Revenues. This is followed by a Schedule of Fees, which shows the Municipal Code Reference for each fee charged by the Village, by category.

COMPARISON OF REVENUES

Account Description	FY08 Actual	FY09 Actual	FY10 Actual	FY11	
				Projected	FY12 Budget
GENERAL FUND					
Property Taxes					
CORPORATE FUND TAX	\$988,187	\$983,425	\$1,030,909	\$880,165	\$810,250
LIABILITY INSURANCE TAX	\$150,875	\$187,845	\$187,013	\$202,625	\$328,000
POLICE PROTECTION TAX	\$142,667	\$143,646	\$149,610	\$150,006	\$150,000
AUDITING TAX	\$18,685	\$33,149	\$35,065	\$35,239	\$25,750
IMRF TAX	\$163,256	\$179,005	\$196,510	\$237,864	\$125,000
RE TX - POLICE PENSION	\$601,521	\$685,036	\$738,701	\$890,599	\$963,000
Sub-Total	\$2,065,191	\$2,212,108	\$2,337,807	\$2,396,498	\$2,402,000
Other Local Taxes					
HOME RULE SALES TAX	\$141,432	\$128,505	\$209,882	\$296,193	\$275,000
UTILITY TAX - TELEPHONE	\$668,995	\$544,442	\$455,757	\$351,328	\$350,000
UTILITY TAX - GAS	\$231,990	\$228,463	\$136,130	\$122,446	\$135,000
UTILITY TAX - ELECTRIC	\$418,595	\$392,130	\$373,099	\$422,537	\$388,000
CHARITABLE GAMES TAX/LICENSE	\$0	\$0	\$410	\$723	\$500
AMUSEMENT TAX	\$301,427	\$316,778	\$330,864	\$316,079	\$330,000
Sub-Total	\$1,762,439	\$1,610,317	\$1,506,142	\$1,509,306	\$1,478,500
Intergovernmental Revenues					
TOWNSHIP ROAD & BRIDGE TAX	\$32,100	\$34,172	\$33,912	\$33,192	\$33,000
STATE - LOCAL SALES TAX	\$2,045,408	\$2,086,833	\$2,237,707	\$2,708,122	\$2,850,000
STATE - REPLACEMENT TAX	\$19,441	\$17,144	\$12,651	\$15,606	\$14,000
STATE - INCOME TAX	\$2,431,015	\$2,234,944	\$1,962,521	\$2,001,151	\$2,000,000
USE TAX	\$362,571	\$367,041	\$309,731	\$371,478	\$320,000
POLICE - TRAINING REIMB	\$7,993	\$13,569	\$3,867	\$0	\$0
Sub-Total	\$4,898,528	\$4,753,703	\$4,560,388	\$5,129,550	\$5,217,000
Sales & Charges for Services					
INDUSTRIAL REVENUE BONDS (IRB)	\$0	\$1,200	\$1,350	\$1,350	\$0
OCCUPANCY PERMITS	\$0	\$13,580	\$0	\$0	\$20,000
BUILDING PERMITS	\$36,922	\$17,010	\$21,225	\$17,855	\$110,000
BUSINESS CERTIFICATE FEE	\$128,504	\$221,699	\$85,101	\$107,389	\$64,000
LIQUOR LICENSES	\$62,597	\$64,266	\$63,819	\$64,550	\$30,000
CABLE TV - FRANCHISE FEES	\$24,034	\$24,325	\$27,910	\$28,975	\$130,000
ANNEX/ZBA/PLAN FEES	\$145,486	\$145,485	\$134,170	\$153,238	\$5,000
RENTAL CERTIFICATION FEES	\$5,200	\$5,700	\$5,000	\$6,400	\$49,450
BILLBOARD LICENSES	\$44,095	\$45,950	\$49,250	\$57,610	\$1,350
POLICE TOWING CHARGE	\$6,297	\$6,270	\$0	\$250	\$77,000
LIEN REVENUE-OTHER	\$0	\$63,450	\$76,325	\$75,600	\$0
POLICE PHOTOCOPY SERVICE	\$47,961	\$50,167	\$47,246	\$42,700	\$4,500
NICOR - FRANCHISE GAS FEE	\$0	\$0	\$0	\$0	\$45,000
BEACH PASSES	\$66	\$687	\$115	\$28	\$250
APPLICATION FEE - PD TESTING	\$440	\$265	\$220	\$390	\$4,000
POLICE OT SECURITY SVC	\$6,297	\$6,270	\$0	\$0	\$0
ABANDONED PROPERTY REVENUE	\$7,500	\$7,900	\$5,550	\$8,000	\$0
CONTRACTOR APPLICATION FEE	\$0	\$0	\$0	\$500	\$8,000
ICE CREAM ANNUAL LICENSE	\$4,720	\$4,828	\$4,561	\$3,590	\$275
RECYCLING REV - BINS/ SWALCO	\$25,046	\$21,709	\$5,147	\$26,909	\$25,000
COMMUNITY EVENT REVENUE	\$25,982	\$25,069	\$21,840	\$21,109	\$22,000
Sub-Total	\$572,400	\$725,830	\$548,829	\$616,443	\$595,825

Account Description	FY08 Actual	FY09 Actual	FY10 Actual	FY11	
				Projected	FY12 Budget
GENERAL FUND					
Fines					
POLICE FINES	\$457,597	\$348,520	\$373,546	\$473,387	\$400,000
BUILDING FINES	\$12,181	\$4,763	\$947	\$260	\$1,000
LIEN REVENUE-WEED CUTTING	\$10,246	\$31,810	\$42,531	\$32,105	\$42,500
FALSE ALARM REVENUE	\$10,650	\$17,200	\$13,700	\$6,800	\$10,000
STATE-LIQUOR COMM TOBACCO ENFC	\$7,750	\$3,750	\$250	\$0	\$1,000
Sub-Total	\$498,425	\$406,043	\$430,974	\$512,552	\$454,500
Contributions & Grants					
GRANT REVENUE	\$1,264	\$1,567	\$4,950	\$2,100	\$0
CONTRIBUTIONS-GENL GOVERNMENT	\$0	\$10,000	\$0	\$0	\$0
Sub-Total	\$1,264	\$11,567	\$4,950	\$2,100	\$0
Other Financial Sources					
INTEREST INCOME	\$187,373	\$80,577	\$18,824	\$14,974	\$29,000
MISCELLANEOUS INCOME	\$1,097	\$2,462	\$3,048	\$523	\$1,200
RENTAL INCOME	\$21,000	\$21,000	\$29,750	\$35,000	\$36,200
MISCELLANEOUS INCOME	\$363	\$1,625	\$3,316	\$3,633	\$1,500
PROPERTY SALE	\$0	\$11,093	\$0	\$0	\$0
CLAIMS REVENUE-INSURANCE	\$23,223	\$8,889	\$9,287	\$15,261	\$5,000
Sub-Total	\$258,057	\$125,646	\$64,225	\$69,391	\$72,900
TOTAL	\$10,056,304	\$9,845,213	\$9,453,315	\$10,235,841	\$10,220,725

POLICE SPECIAL REVENUES FUND					
HITA - DRUG CONTROL REV	\$0	\$1,194	\$0	\$0	\$0
INTEREST INCOME	\$236	\$77	\$14	\$12	\$15
STATE SEIZURE REV	\$1,564	\$6,131	\$5,807	\$1,698	\$2,500
INTEREST INCOME	\$1,060	\$334	\$36	\$30	\$20
INTEREST INCOME	\$1,092	\$367	\$26	\$27	\$15
DUI/740 CONTROL REVENUE	\$7,743	\$6,600	\$6,067	\$7,217	\$6,000
INTEREST INCOME	\$172	\$54	\$3	\$4	\$5
K-9 GRANT REVENUE	\$7,000	\$5,000	\$5,000	\$6,100	\$5,000
INTEREST INCOME	\$0	\$44	\$25	\$27	\$16
MOBILE EYE REVENUE	\$0	\$17,419	\$16,560	\$17,116	\$15,000
INTEREST INCOME	\$0	\$0	\$6	\$6	\$6
EXPLORERS PROGRAM REVENUE	\$0	\$0	\$4,923	\$0	\$0
TOTAL	\$18,867	\$37,233	\$38,468	\$32,238	\$28,577

HOUSING & REDEVELOPMENT FUND					
INTEREST REVENUE	\$724	\$6	\$0	\$0	\$0
INTEREST REVENUE	\$0	\$0	\$0	\$2,215	\$4,384
RENTAL INCOME	\$0	\$0	\$8,650	\$9,481	\$10,380
SALE OF PROPERTY	\$0	\$0	\$0	-\$1,000	\$175,000
GAIN/(LOSS) ON PROPERTY SALE	-\$6,184	-\$29,726	\$0	-\$35,401	\$0
GRANT - STATE/LOCAL GOVT	\$0	\$0	\$30,000	\$0	\$0
LOAN PROCEEDS	\$0	\$0	\$0	\$0	\$62,636
TOTAL	-\$5,460	-\$29,720	\$38,650	-\$24,705	\$252,400

Account Description	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Projected	FY12 Budget
WATER & SEWER OPERATIONS FUND					
INTEREST INCOME	\$247,395	\$85,344	\$21,512	\$12,943	\$25,000
SEWER FEE \$4/MO 9/1/2010	\$0	\$0	\$0	\$193,805	\$374,112
WATER CHARGES	\$2,932,853	\$2,878,397	\$2,917,968	\$2,972,944	\$3,188,058
WATER CHARGES - CONTRACTORS	\$0	\$140	\$0	\$68	\$0
PENALTIES	\$169,640	\$197,501	\$218,943	\$222,835	\$210,380
CUSTOMER FEES	\$505,131	\$505,184	\$494,455	\$505,198	\$505,050
WATER SALES TO R.L. HEIGHTS	\$140,420	\$219,004	\$191,312	\$190,284	\$208,050
W & S INSPECTION FEES	\$800	\$600	\$100	\$500	\$100
WATER METER SALES	\$770	\$1,430	\$220	\$440	\$200
MISCELLANEOUS INCOME	\$1,960	\$1,040	\$0	\$231	\$0
USE OF RESERVED BALANCES	\$0	\$0	\$0	\$0	\$2,360,540
TOTAL	\$3,998,970	\$3,888,639	\$3,844,511	\$4,099,247	\$6,871,490

WATER & SEWER CAPITAL FUND					
INTEREST INCOME	\$21,383	\$6,644	\$3,269	\$2,540	\$5,000
TAP IN FEE - Shorewood Area	\$4,710	\$18,500	\$6,000	\$6,000	\$12,000
TAP IN FEE REVENUE	\$192,592	\$165,133	\$88,625	\$41,757	\$75,000
GRANT REVENUE	\$75,000	\$85,000	\$85,000	\$218,313	\$92,921
CAP REPAIR/REPLACE TRANSFER	\$0	\$0	\$0	\$0	\$2,360,540
TRANSFER FROM F11/SEWER CHARGE	\$0	\$0	\$0	\$0	\$374,112
TOTAL	\$293,684	\$275,277	\$182,894	\$268,611	\$2,919,573

METRA STATION FUND					
INTEREST INCOME	\$1,299	\$686	\$52	\$8	\$10
DAILY PARKING COLLECTIONS	\$30,684	\$36,169	\$33,101	\$32,443	\$32,000
TOTAL	\$31,983	\$36,855	\$33,153	\$32,451	\$32,010

MOTOR FUEL TAX FUND					
INTEREST INCOME	\$46,825	\$15,370	\$1,809	\$1,202	\$3,000
STATE - MFT ALLOTMENT	\$746,927	\$699,326	\$675,790	\$789,657	\$675,000
FEDERAL BAB CREDIT	\$0	\$0	\$0	\$52,450	\$51,049
REIMB FROM VILLAGE	\$0	\$21,393	\$0	\$21,232	\$0
USE OF FUND BALANCE	\$0	\$0	\$0	\$0	\$206,396
TOTAL	\$793,752	\$736,088	\$677,600	\$864,541	\$935,445

CIVIC CENTER OPERATIONS FUND					
INTEREST INCOME	\$662	\$0	\$0	\$0	\$0
CATERER - ANNUAL FEE	\$0	\$50	\$400	\$0	\$0
FOOD/BEVERAGE COMMISSION	\$9,726	\$8,089	\$6,264	\$1,631	\$4,200
ROOM RENTAL/USER FEES	\$32,818	\$35,212	\$59,356	\$73,561	\$75,000
OP GRANT/CONTRIBUTION	\$8,000	\$22,135	\$12,482	\$9,210	\$24,916
PROGRAM REVENUE	\$0	\$0	\$2,251	\$3,058	\$3,500
CORPORATE BEVERAGE COMMISSION	\$0	\$942	\$1,262	\$1,309	\$1,350
MISCELLANEOUS INCOME	\$45	\$1,314	\$0	\$0	\$0
TOTAL	\$51,251	\$67,742	\$82,015	\$88,769	\$108,966

Account Description	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Projected	FY12 Budget
TIF 1 DEBT SERVICE FUND					
INTEREST INCOME	\$127,185	\$45,342	\$42,207	\$42,131	\$4,200
STATE - LOCAL SALES TAX	\$1,035,753	\$970,560	\$877,950	\$568,260	\$566,843
STATE - SALES TAX	\$817,896	\$831,248	\$733,303	\$881,131	\$226,874
TIF - REAL ESTATE TAXES	\$1,547,855	\$1,891,047	\$2,057,148	\$2,012,840	\$0
TOTAL	\$3,528,688	\$3,738,197	\$3,710,607	\$3,504,361	\$797,917

TIF 1 CAPITAL PROJECTS FUND					
INTEREST INCOME	\$140,974	\$52,190	\$6,897	\$6,175	\$8,500
USE OF FUND BALANCE	\$0	\$0	\$0	\$0	\$3,417,426
TIF PROJECTS TFR FOR 08/09	\$2,460,013	\$2,806,217	\$2,132,897	\$2,575,443	\$228,074
TOTAL	\$2,562,727	\$2,858,407	\$2,139,794	\$2,581,618	\$3,654,000

TIF 2 FUND					
INTEREST INCOME	\$48,246	\$12,643	\$1,621	\$1,690	\$1,800
TIF - REAL ESTATE TAXES	\$1,720,390	\$1,926,260	\$2,139,546	\$2,218,673	\$2,200,000
TOTAL	\$1,768,636	\$1,938,903	\$2,141,167	\$2,220,363	\$2,201,800

TIF 3 PROJECTS FUND					
INTEREST INCOME	\$6,478	\$2,036	\$261	\$387	\$100
TIF - REAL ESTATE TAXES	\$84,130	\$114,165	\$134,405	\$111,779	\$110,000
USE OF RESERVED BALANCES	\$0	\$0	\$0	\$0	\$214,900
TOTAL	\$90,608	\$116,201	\$134,665	\$112,166	\$325,000

GOVERNMENTAL DEBT SERVICE FUND					
INTEREST INCOME	\$52,285	\$23,766	\$2,606	\$2,693	\$2,428
STATE - MFT ALLOTMENT	\$0	\$0	\$349,856	\$0	\$0
HOME RULE SALES TAX	\$756,000	\$778,680	\$785,000	\$785,000	\$785,000
UTILITY TAX - TELEPHONE	\$220,000	\$312,000	\$362,000	\$377,000	\$375,000
UTILITY TAX - GAS	\$80,000	\$95,000	\$120,000	\$135,000	\$135,000
UTILITY TAX - ELECTRIC	\$110,000	\$119,000	\$120,000	\$120,000	\$120,000
FEDERAL RZ-EDB CREDIT	\$0	\$0	\$0	\$24,496	\$63,442
TRANSFER FROM MFT/SERIES 2009	\$0	\$0	\$0	\$350,856	\$350,475
TRANSFER FROM F01/SERIES 2010	\$0	\$0	\$0	\$197,540	\$196,583
TOTAL	\$1,246,951	\$1,328,446	\$1,744,157	\$1,992,586	\$2,027,928

BOND FUNDED PROJECTS FUND					
INTEREST INCOME	\$60,601	\$29,619	\$3,327	\$5,707	\$15,000
PROPERTY SALE	\$0	\$387,667	\$0	\$0	\$0
GRANT/REIMBURSEMENT	\$7,500	\$0	\$0	\$0	\$90,000
MISCELLANEOUS INCOME	\$0	\$0	\$0	\$5,000	\$0
USE OF RESERVED BALANCES	\$0	\$0	\$0	\$0	\$2,856,000
BOND PROCEEDS	\$0	\$0	\$0	\$3,000,000	\$0
2009 BOND PROCEEDS	\$0	\$0	\$3,660,418	\$0	\$0
TOTAL	\$148,202	\$417,286	\$3,663,745	\$3,010,707	\$2,961,000

Account Description	FY08 Actual	FY09 Actual	FY10 Actual	FY11	
				Projected	FY12 Budget
CAPITAL EQUIPMENT FUND					
INTEREST INCOME	\$28,758	\$7,361	\$472	\$685	\$2,000
STATE - LOCAL SALES TAX	\$41,851	\$42,718	\$39,000	\$46,306	\$50,000
TIF - REAL ESTATE TAXES	\$103,995	\$117,788	\$132,415	\$137,503	\$130,000
HOME RULE SALES TAX	\$200,502	\$176,248	\$104,932	\$75,000	\$75,000
UTILITY TAX - TELEPHONE	\$57,174	\$36,446	\$21,155	\$16,042	\$15,000
UTILITY TAX - GAS	\$49,212	\$32,638	\$19,824	\$6,000	\$4,000
UTILITY TAX - ELECTRIC	\$79,134	\$70,411	\$57,284	\$60,000	\$60,000
RENTAL INCOME	\$47,733	\$68,801	\$74,010	\$79,403	\$79,142
PROPERTY SALE	\$17,313	\$5,942	\$8,498	\$43,961	\$30,000
GRANT REVENUE	\$346,400	\$81,618	\$0	\$0	\$0
IMPACT FEE - SINGLE LOT	\$1,250	\$1,250	\$0	\$0	\$0
TOTAL	\$973,322	\$641,220	\$457,590	\$464,899	\$445,142

SCHEDULE OF FEES

<i>Section of Code</i>	<i>Fee Description</i>	<i>FY12 Amount of Fee</i>
Administrative		
Section 1-4-1	General Penalty	Fine not to exceed \$1,500 for any one offense
Section 1-9-2	Sewer Charge Collection Fee	Actual cost to the Village (currently \$3.51/1,000 gallons)
Section 1-9-4	Impact Fees for single lot developments	\$1,250 for Detached Single Family \$850 for Attached Single Family
Section 1-11-11	Nonsufficient-fund check; service charge	\$50.00
Section 1-13-8	Costs of photocopying	\$0.25 per page for all 8 ½" x 11" pages Actual cost of reproduction of oversize documents if greater than \$0.25; otherwise, \$0.25 for oversize documents
Section 1-13-8	Certification	\$1.00 per page for individual pages \$5.00 for certified copies of pamphlets
Business Regulations		
Section 3-1-9	General Business Certificate Fee	0 – 2500 sq ft: \$100 >2500 sq ft: \$200
Section 3-1-9	Service Establishments	0 – 2500 sq ft: \$150 >2500 sq ft: \$250
Section 3-1-9	Taxicabs Fee	0 – 2500 sq ft: \$100 + \$50/taxicab >2500 sq ft: \$200 + \$50/taxicab
Section 3-1-9	Coin-operated amusement machines fee	\$25/jukebox or game
Section 3-1-9	Auctioneers	\$100
Section 3-1-9	Truckers Fee	\$100/truck
Section 3-1-9	Filling station operators fee	\$25/nozzle
Section 3-1-9	Food Establishments	0 – 2500 sq ft: \$150 >2500 sq ft: \$250
Section 3-1-9	Retail and Wholesale Establishments	0 – 2500 sq ft: \$100 >2500 sq ft: \$200
Section 3-1-9	Fuel Oil Dealer Fees	\$200/dealer
Section 3-1-9	Junk Dealers and Peddlers Fees	\$100/dealer or peddler
Section 3-1-9	Pawnbrokers Fee	\$100/broker
Section 3-1-9	Industrial Establishments	0 – 2500 sq ft: \$200 >2500 sq ft: \$300
Section 3-1-13	Reinspection Fee	\$50
Section 3-1-16	Penalty	Not less than \$100 for each offense
Section 3-2-4	Liquor License Application Fee	\$100
Section 3-2-8	Liquor Licenses	Class A: \$900 Class B: \$600 Class C: \$115 Class D: \$600 Daily Permit: \$10 Class E: \$1,125 Class F: \$900
Section 3-2-22	Penalty	Not less than \$25 for each offense
Section 3-3-1	Home rule municipal retailers' occupation and service occupation tax	0.5 percent of tangible personal property

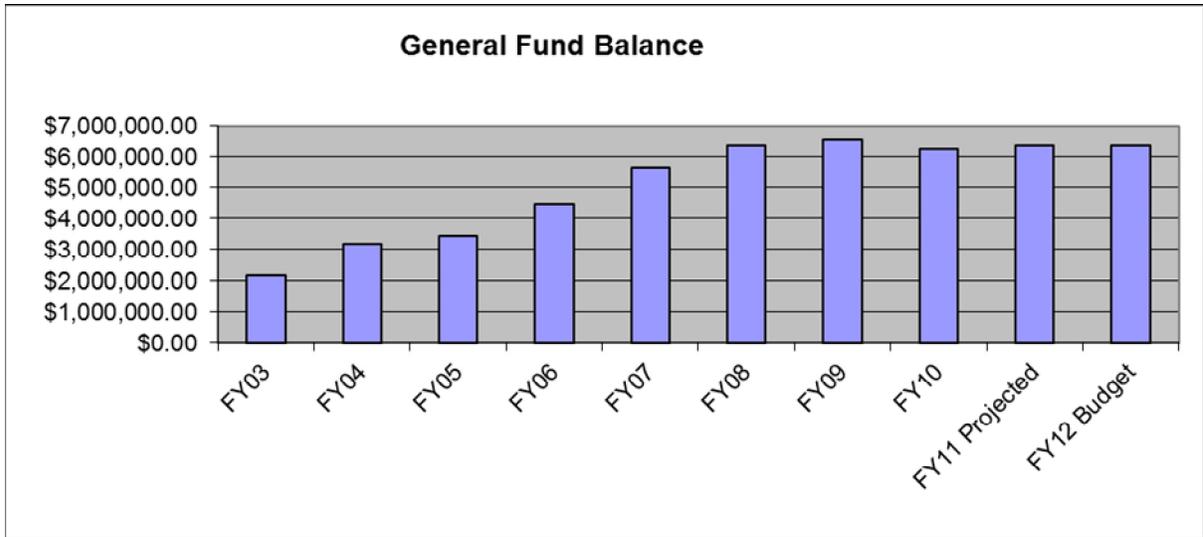
Section of Code	Fee Description	FY12 Amount of Fee
Section 3-3-3	Municipal Electric Utility Tax	(1) For the first 2,000 kilowatt-hours used or consumed in a month: 0.580 cents per kilowatt-hour; (2) For the next 48,000 kilowatt-hours used or consumed in a month: 0.363 cents per kilowatt-hour; (3) For the next 50,000 kilowatt-hours used or consumed in a month: 0.300 cents per kilowatt-hour; (4) For the next 400,000 kilowatt-hours used or consumed in a month: 0.263 cents per kilowatt-hour; (5) For the next 500,000 kilowatt-hours used or consumed in a month: 0.260 cents per kilowatt-hour; (6) For the next 2,000,000 kilowatt-hours used or consumed in a month: 0.255 cents per kilowatt-hour; (7) For the next 2,000,000 kilowatt-hours used or consumed in a month: 0.238 cents per kilowatt-hour; (8) For the next 5,000,000 kilowatt-hours used or consumed in a month: 0.228 cents per kilowatt-hour; (9) For the next 10,000,000 kilowatt-hours used or consumed in a month: 0.218 cents per kilowatt-hour; and (10) For all electricity used or consumed in excess of 20,000,000 kilowatt-hours in a month: 0.200 cents per kilowatt-hour
Section 3-3-4	Municipal Use Tax	1% of selling price
Section 3-3-5	Municipal Leasing Occupation Tax	0.5% of gross receipts
Section 3-3-6	Foreign Fire Insurance Companies' Tax	2% of gross receipts
Section 3-3-7	Amusement Tax	7.5% of gross receipts from admission fees
Section 3-3-8	Simplified Municipal Telecommunications Tax	6%
Section 3-4-9	Penalty	Not less than \$100 for first offense Not less than \$500 for each subsequent offense
Section 3-5-5	Penalty	Not less than \$25 for each offense
Section 3-6-9	Sexually-oriented Business License Application Fee	\$300
Section 3-6-9	Sexually-oriented Business License Renewal Fee	\$200
Section 3-6-9	Sexually-oriented Business License Fee	\$700
Section 3-6-9	Sexually-oriented Business 1 st Time Annual Application, Investigation, and License Fee	\$150
Section 3-6-9	Sexually-oriented Business Renewal Annual Application, Investigation, and License Fee	\$100
Section 3-6-16	Penalty	\$750
Section 3-7-6	Raffle License Fee	Class A: \$10 Class B: \$20 Class C: \$50 Class D: \$100
Police Regulations		
Section 4-4-2	Police Alarm Service Initial Fee	\$150
Section 4-4-4	False Alarm Fee	4 th to and including the 6 th : \$50/false alarm 7 th to and including the 12 th : \$100/false alarm 13 th and over: \$150/false alarm
Section 4-5-14	Penalty	Not less than \$25 for each offense
Section 4-6-9	Penalty	Not less than \$25 for each offense
Motor Vehicles and Traffic		
Section 5-2-20	Impounded Vehicle	Penalty: \$100 - \$150 Bond: \$100 - \$150
Section 5-3-7	Metra Station Parking	\$1.50/day on weekdays \$60/bimonthly period
Section 5-3-9	Driver's License Suspension Filing Fee	\$20
Section 5-5-9	Weight and Load Limit Penalty	Not less than \$100
Section 5-6-15	Penalty	Not less than \$25 for each offense

<i>Section of Code</i>	<i>Fee Description</i>	<i>FY12 Amount of Fee</i>
Section 5-9-13	Bicycle Penalty	Not less than \$25 for each offense
Section 5-10-8	Vehicle Storage Penalty	Not less than \$25 for each offense
Section 5-10(A)-5	Inoperable Motor Vehicle Penalty	Not less than \$25 for each offense
Section 5-12-4	Truck Restriction Penalty	Not less than \$250 for each offense
Section 5-14-3	Valid Certificate of Safety Penalty	Not less than \$250 for each offense
Health and Sanitation		
Section 6-2-4	Water Pollution Control Penalty	Not less than \$100 for the first offense Not less than \$300 for subsequent offenses
Section 6-3-1	Private Well Penalty	Not less than \$5 for each offense
Section 6-4-5	Weed Penalty	Not less than \$5 for each offense
Section 6-4-6	Removal of excessive grass and weeds	Not less than \$5 for each offense
Section 6-5-3	Garbage rates	
Section 6-5-6	Garbage and Refuse License	\$50
Section 6-5-9	Garbage and Refuse Penalty	Not less than \$25 for each offense
Section 6-6-9	Litter Control Regulations Penalty	Not less than \$25 for each offense
Section 6-7-5	Reconnection Fee	\$100
Section 6-8-7	Smoke Free Illinois Penalty	\$100/\$250/\$500
Combined Waterworks and Sewerage System		
Section 10-5-9-1	Single family residential Multi-family residential, per unit Commercial and business (per svc unit) Industrial (per bldg for single use)	\$3.17 per 1,000 gallons Increases to \$3.25 per 1,000 gallons (September 1, 2011)
Section 10-5-9-1	Temporary water svc for new construction or rehabilitation	\$50 per month or part thereof
Section 10-5-9-1	Additional charge	\$5.00 per month

GENERAL FUND

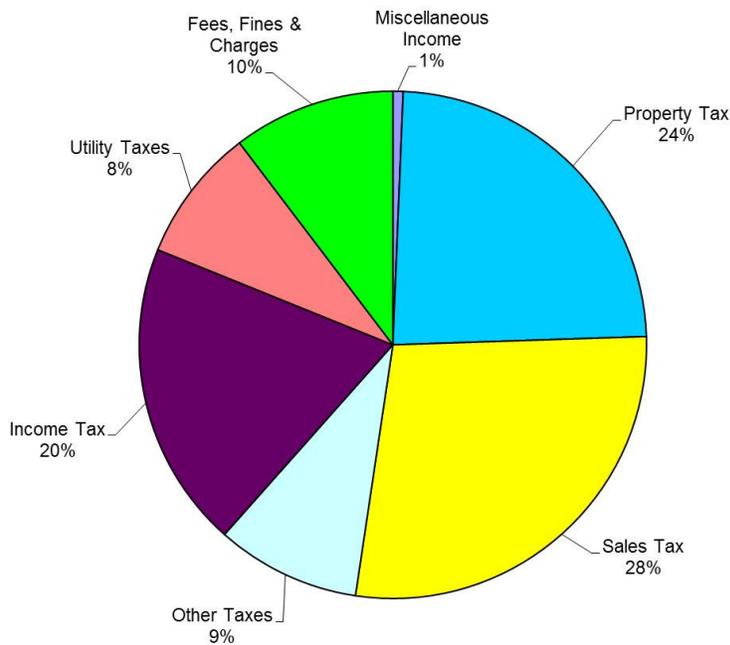
The General Fund FY12 budget is balanced, with revenues matching expenses at \$10,220,725. This is a .2% increase over the FY11 budget of \$10,200,179.

Due to the conservative fiscal management of the Mayor and Village Board, the Village has experienced tremendous growth in the General Fund balance over the last 10 years. The recent economic recession forced the Village to utilize fund balance in FY10, however operating adjustments were made and the Village does not anticipate using fund balance in FY11 or FY12.



The General Fund breakdown of revenues is shown in the chart below.

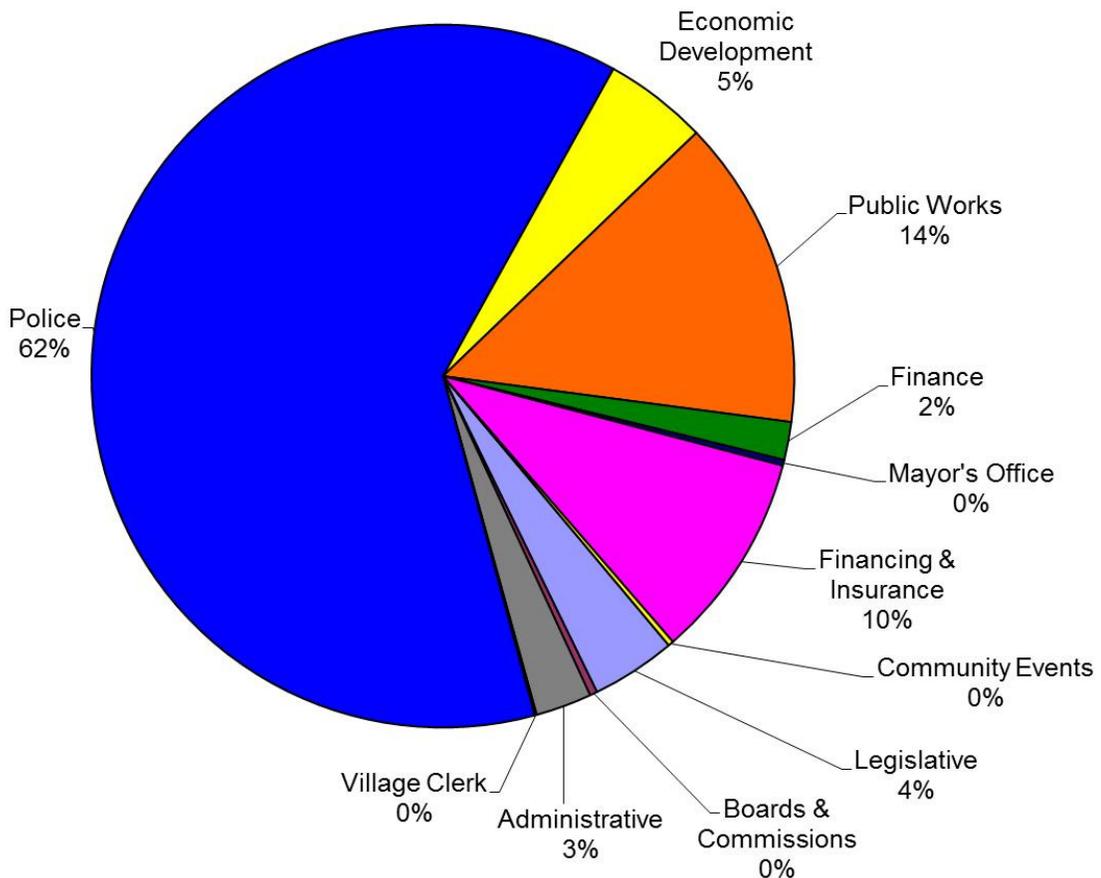
FY12 Budget General Fund Sources of Funds



Sales Tax has grown as a source of revenue to the General Fund with the relocation of a major retailer from within TIF District #1 to a location outside the TIF. This revenue stream makes up 28% of the General Fund budget. Property tax makes up nearly one quarter of the FY12 budget while Income Tax makes up 20%. Fees, Fines & Charges and Utility Taxes each make up 10% of the General Fund budget. "Other Taxes," including Amusement Tax and Township Road & Bridge Tax, make up 9% of the FY12 budget. Many of these revenue streams are very susceptible to the economic climate and factors such as poverty, unemployment, and the number of foreclosures. Unfortunately, the Village suffers from each of these economic factors and as such, made a concerted effort to trim expenses and streamline delivery of service to match the depressed revenue streams rather than cutting back services to residents.

The chart below shows General Fund Expenses by Department. The Village's Police Department is by far the largest department, with 50 full time employees.

General Fund Expenses by Department



The remainder of this section shows expense detail by department.

The **Legislative Branch** is made up of the Board of Trustees, which is responsible for making all policy decisions regarding the Village. The legislative functions are organized to focus on each operational area of the Village through the Standing Committees of the Board. The four Standing Committees are: Finance Committee, Economic Development Committee, Public Safety Committee, and Public Works Committee. Policy issues are discussed in depth at each Standing Committee before being placed on the agenda of the regular meetings of the Mayor and Board of Trustees.

Legislative	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Projected	FY12 Budget
Salaries	28,200	28,800	28,800	28,800	28,800
Employment Expenses	61,262	58,962	42,519	37,877	38,358
Operating Supplies/Expenses	28,149	18,379	15,656	7,557	6,975
Contractual Services	336,661	356,313	419,592	323,620	323,800
Total Legislative	454,272	462,454	506,567	397,854	397,933

The **Boards and Commissions** of the Village include the Planning and Zoning Commission and the Police Commission. The Planning and Zoning Commission is responsible for reviewing proposals for new development in the Village. It takes public comment on proposals and makes recommendations to the Mayor and the Board of Trustees. It also monitors the enforcement of the Village's zoning ordinances and hears appeals for exceptions or variances to the zoning codes.

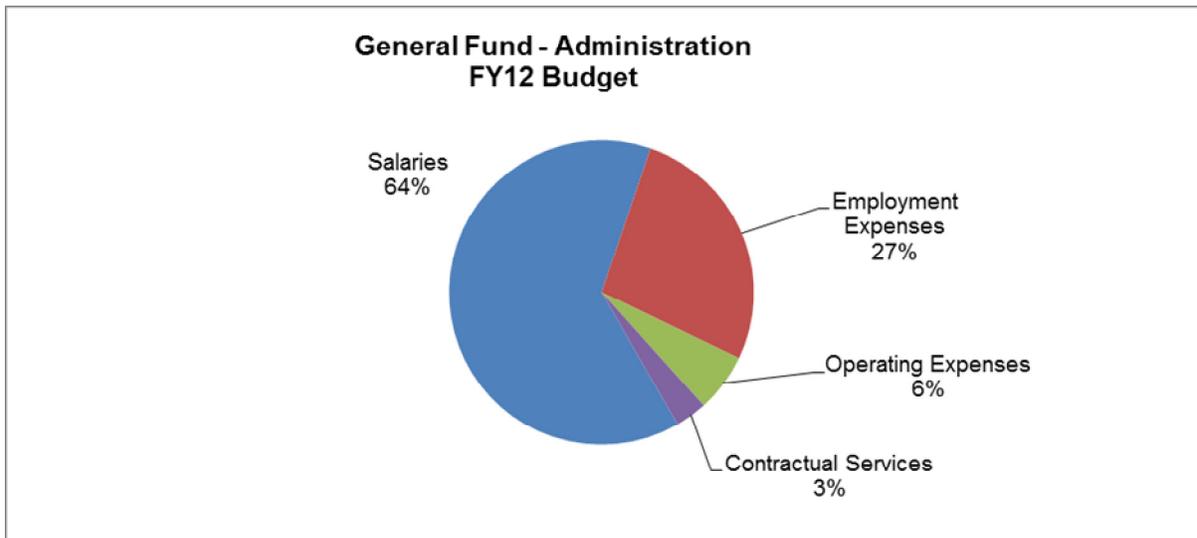
The Police Commission has the responsibility of maintaining a list of eligible candidates for the position of Police Officer. It does this through administering a periodic exam process, which includes a physical ability test, written exam, and oral interview. Administering a promotional process for the position of Sergeant and Lieutenant is also part of its duties. The Commission also hears disciplinary cases brought before it through the Office of the Chief of Police and has the authority to suspend or discharge a sworn member of the Department because of a disciplinary finding. It is composed of three people, appointed by the Mayor and Board of Trustees.

Boards & Commissions	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Projected	FY12 Budget
Salaries	3,150	4,320	2,930	3,420	3,720
Employment Expenses	2,743	1,290	2,103	1,283	2,677
Operating Supplies/Expenses	5,241	2,422	1,948	1,857	3,539
Contractual Services	34,878	70,282	35,992	24,100	24,750
Total Boards & Commissions	46,012	78,314	42,973	30,660	34,686

As provided by Village ordinance, the **Village Administrator** advises the Mayor and Board of Trustees on policy decisions and directs the day-to-day operations of the Village. The Administrator provides relevant and timely information and advice necessary for the Mayor and Board to evaluate and make policy decisions. He also directs the operating departments in order to meet service levels and quality as established by the Mayor and Board. Finally, the Administrator represents the Village in working with Federal, State and regional agencies and community groups as well as private enterprises and not-for-profit organizations. Included in the Administration budget for FY12 are the Human Resources Manager, Administrative Assistant, Senior Citizen Liaison, and a portion of the Civic and Cultural

Center's Facility Manager, who also provides business development assistance to the Village.

Administration	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Projected	FY12 Budget
Salaries	153,115	164,282	165,458	165,886	167,834
Employment Expenses	62,983	62,321	61,672	66,273	71,037
Operating Supplies/Expenses	15,425	16,504	16,238	16,626	16,341
Contractual Services	7,481	21,679	9,589	9,104	8,950
Total Administration	239,004	264,786	252,957	257,889	264,162



The **Village Clerk's Office** fulfills the requirements and deadlines prescribed by the Village, State, and Federal law to manage and execute the official records of the Village to ensure the integrity for the citizens and the courts. The Clerk's Office also administers the Open Meetings and Freedom of Information Acts.

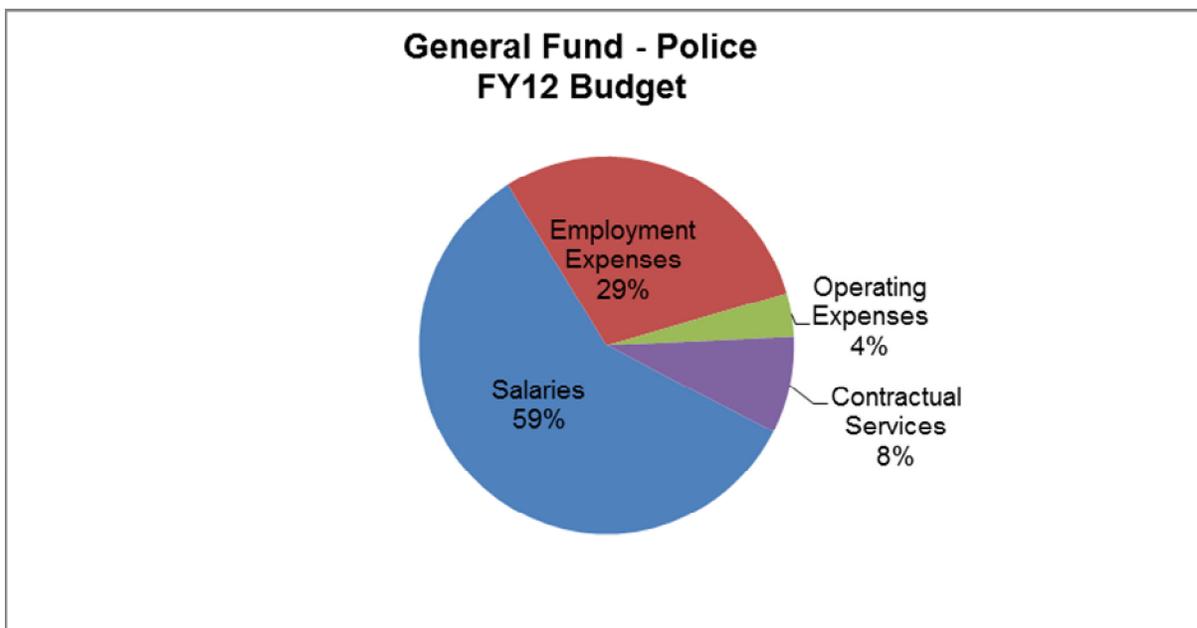
Village Clerk	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Projected	FY12 Budget
Salaries	8,544	-	2,000	2,000	2,000
Employment Expenses	3,926	558	2,298	2,071	2,176
Operating Supplies/Expenses	2,273	3,600	635	475	287
Contractual Services	4,827	6,010	5,670	6,000	4,700
Total Village Clerk	19,570	10,168	10,603	10,546	9,163

The **Police Department** is the largest of the operating departments in the Village government. The mission of the Round Lake Beach Police Department is to protect the rights of all persons to be free from crime and to provide public safety services for all citizens that will both serve them and promote a safe environment through its Core Values: Professionalism, Respect, Integrity, Dedication, and Excellence (PRIDE).

The many purposes within the Department are:

- To manage the resources of the Department while enhancing the quality of community life by identifying resources, creating partnerships to identify needs, and resolving problems.
- To provide 24 hour patrol services within the jurisdiction of the Village; to provide special enforcement of laws and ordinances that focus on specific issues; to maintain order; to provide traffic enforcement and regulatory services.
- To support the operation, goals, and management of the Department by providing the necessary support services to ensure effective and well-equipped personnel.
- To manage the repository for all investigations, calls for service, citations, official records.
- To educate the various communities of interest in the reduction of crime and enhance communications with business and community.
- To provide initial and on-going training and education for all employees in the areas of contemporary management, technical, and legal issues.
- To improve the delivery of services; increase confidence in the Department, and reduce liability.

Police	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Projected	FY12 Budget
Salaries	3,423,657	3,519,953	3,595,452	3,520,422	3,734,121
Employment Expenses	1,456,794	1,546,669	1,570,426	1,741,371	1,869,508
Operating Supplies/Expenses	340,846	255,697	236,435	256,195	235,785
Contractual Services	462,089	555,752	515,161	485,958	524,641
Total Police	5,683,386	5,878,071	5,917,474	6,003,946	6,364,055



POLICE PERFORMANCE INDICATORS

POLICE DEPARTMENT	2008 Actual	2009 Actual	2010 Actual	2011 Estimate
Calls for Service Answered	15,225	15,054	15,600	15,500
Traffic Stops	4,566	6,670	12,394	10,000
Traffic Citations Written	4,630	7,802	8,008	8,000
Ordinance Violations Written	4,094	3,778	3,396	2,700
Adult Arrests Made	1,081	1,547	706	710
Juvenile Arrests Made	327	303	61	60
Training Hours	4,289	2,824	2,925	2,600
Community Education Hours	377	501	166	170
Crime-Free Multi-Housing Landlord Training Hours	48	40	59	60

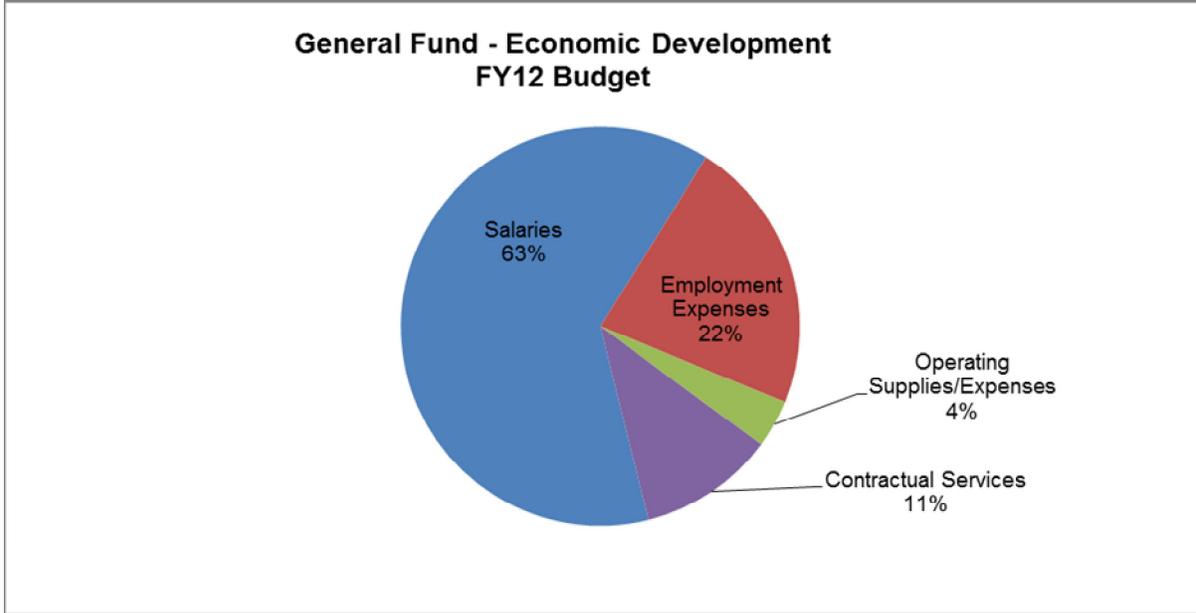
The **Economic Development Department** activities help to promote two (2) primary missions of the Village: Public Health and Safety; and Future Development of the Community.

The public health and safety mission deals with human occupancy and use of the built environment. Oftentimes in buildings this will involve evaluation of: structural sufficiency; mechanical systems (plumbing, electrical, heating, ventilation and air conditioning) and fire safety measures. On properties, this may involve the placement of new buildings and structures as well as the appropriate location of uses that are compatible with their surroundings. Adopted Building Codes and Zoning Codes are used as the basis for these evaluations.

Public Health and Safety are also supported by promoting and maintaining the quality of the Village's building stock. Through various programs, the Village is able to physically review residential rental units, homes that are sold, and occupied business structures on a yearly basis. A major part of the effort is working together with property owners to identify and solve minor issues before they may grow into larger issues. The consistency of these programs also assists in maintaining the long term value and economic viability of properties.

Future development of the community is a continuing work effort that can foster widespread benefits and impacts. This mission deals with how land will be used in both the near future and the long term. An overriding goal of the Village is to achieve a balance in the amount of residential uses and business uses so that there is a variety of quality housing opportunities available to address needs at all stages of the life cycle; and so that there are viable businesses available to offer needed goods, services and job opportunities to residents. Balance of use in the community is also important to financing the wide range of public services that are provided by the Village and that are provided by the other taxing bodies servicing residents (School Districts, Park District, Fire Protection District, Library District, Townships, Lake County and the Lake County Forest Preserve District). The Village's Comprehensive Land Use Plan and adopted Zoning Codes are the primary guides in this effort.

Economic Development	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Projected	FY12 Budget
Salaries	209,724	226,590	245,005	295,838	305,610
Employment Expenses	85,568	88,947	82,602	101,723	108,399
Operating Supplies/Expenses	37,959	31,234	16,972	34,541	18,973
Contractual Services	149,355	150,055	84,314	63,365	53,800
Total Economic Development	482,606	496,826	428,893	495,467	486,782



ECONOMIC DEVELOPMENT PERFORMANCE INDICATORS

ECONOMIC DEVELOPMENT	2008 Actual	2009 Actual	2010 Actual	2011 Estimate
Building Inspections	3,843	6,936	6,750	6,800
Business Inspections	643	965	825	850
Business Certificates	339	325	320	320
Rental Inspections	980	1,794	1,200	1,200
Occupancy Permits	373	805	750	700
Property Maintenance	3,317	3,780	3,500	3,500
Systematic Inspection Program	994	929	950	950
Weed Inspections	2,219	1,812	2,000	2,000
Resident Inquiries	1,461	309	400	1,200
Emergency Call-outs	157	87	90	100

The **Public Works Department** is entrusted to provide, manage, and maintain the infrastructure and facilities owned by the Village of Round Lake Beach. The Public Works Department is divided into four divisions: Administration, Water & Sanitary, Streets & Drainage, and Facility & Property.

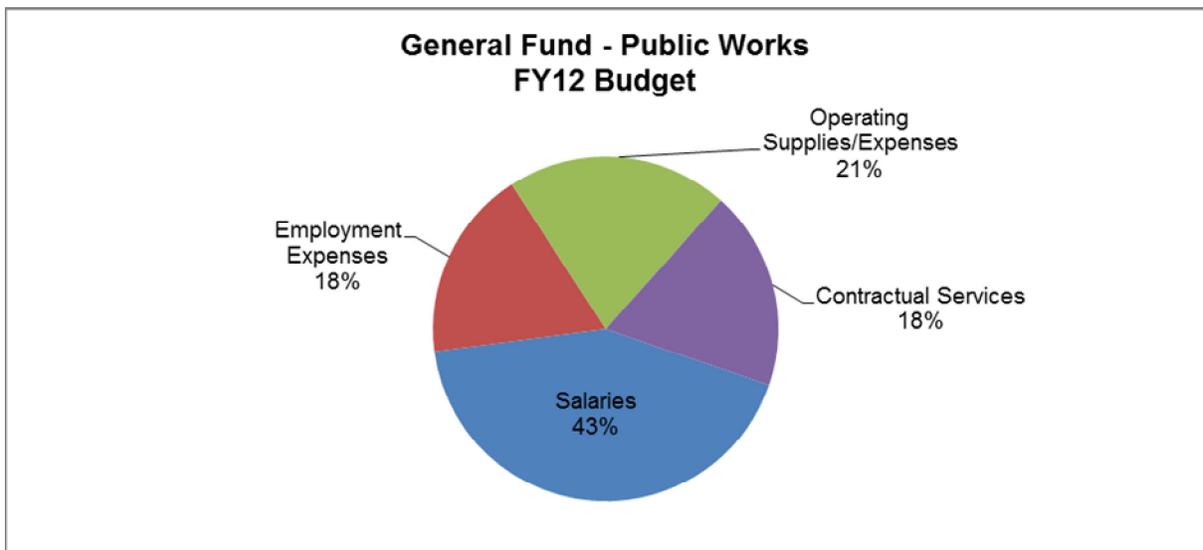
The *Administrative Division* is responsible for planning, directing, and coordinating the Department's short and long-term goals. Administrative personnel are also responsible for customer service requests generated from resident concerns. The Administrative Division coordinates Capital Improvement Projects, Capital and Road Improvement Projects, and residential, commercial, and industrial developments with the Village's Engineer.

The *Water and Sanitary Division* services and maintains the water service for the Village. Since 1992, the Village's potable water supply has been provided by the Central Lake County Joint Action Water Agency (C.L.C.J.A.W.A.) and the source is Lake Michigan. The Water and Sanitary Division maintains the sanitary collection system. The Village's sewage is transported to the Northwest Fox Lake Water Reclamation District where it is treated and released.

The *Streets & Drainage Division* is responsible for maintaining a clean, reliable transportation street network that allows for the safe and continuous movement of vehicular and pedestrian traffic at all times.

The *Facility & Property Division* is responsible for maintaining the integrity, value, and appearance of all Village-owned buildings and the care and maintenance of approximately 10,000 parkway and easement trees, the lake front, approximately two miles of creeks and channels, certain turf and landscaped areas, and roadway rights-of-ways.

Public Works	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Projected	FY12 Budget
Salaries	659,898	700,787	690,571	629,928	621,851
Employment Expenses	254,716	262,299	236,778	249,867	260,976
Operating Supplies/Expenses	382,937	338,970	346,695	344,057	302,955
Contractual Services	172,263	197,927	315,124	290,467	271,856
Total Public Works	1,469,814	1,499,983	1,589,168	1,514,319	1,457,638

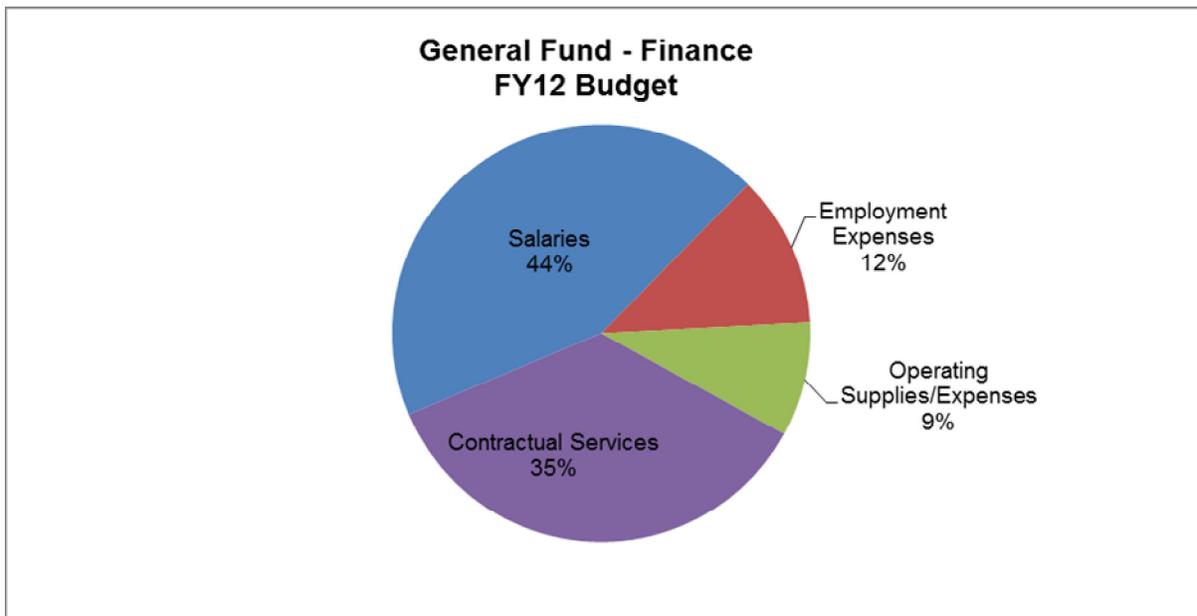


PUBLIC WORKS PERFORMANCE INDICATORS

PUBLIC WORKS	2008 Actual	2009 Actual	2010 Actual	2011 Estimate
Inspect/Flush Hydrants	512	967	1,095	950
Hydrant Replacement		14	11	15
Sanitary Sewer Preventative Jet Rodding (lineal feet)	141,062	165,364	123,783	150,000
Customer Sanitary Back-Ups		10	15	10
Valve Exercising	772	374	207	500
Street Sign Upgrades	184	349	336	250
Drainage Improvements (lineal feet)	3,040	7,460	3,077	5,000
Tree Pruning	389	278	963	350
Outsourced HVAC Calls	25	5	5	5

The **Finance Department** assures the safety and professional management of Village financial resources, by implementing legal and professional standards for local government financial reporting. Its responsibilities include implementation of council policies, rules and regulations affecting financial activity; assisting in budget preparation; working with Village financial advisors regarding capital and debt management; working with Village departments to administer fiscal resources; preparing and keeping all Village financial records; preparing monthly and annual fiscal reports, including the audit and treasurer’s reports; overseeing the Village’s purchasing process; and tracking Village cash flows.

	FY08	FY09	FY10	FY11	FY12
Finance	Actual	Actual	Actual	Projected	Budget
Salaries	69,488	75,871	79,352	75,192	78,250
Employment Expenses	20,444	20,788	21,088	19,897	21,001
Operating Supplies/Expenses	17,825	17,490	16,622	17,417	15,904
Contractual Services	54,210	66,991	89,068	70,649	63,550
Total Finance	161,967	181,140	206,130	183,155	178,705



FINANCE	2008 Actual	2009 Actual	2010 Actual	2011 Estimate
Number of Water Bills	49,724	58,022	50,091	58,000
Number of Second Notice Water Bills	10,018	10,140	10,100	10,000
Number of Accounts Payable Checks	4,215	3,386	2,673	3,000
Number of Counter Transactions	35,530	35,606	34,276	35,000
Number of Phone Calls	24,811	27,298	30,100	27,200

The **Mayor** is the Chief Legislative Officer of the Village. The Mayor performs all of the duties prescribed by law, including municipal ordinances, and is required to see that the laws and ordinances are faithfully executed. The Illinois Liquor Control Act makes the Mayor the local liquor control commissioner.

Mayor	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Projected	FY12 Budget
Salaries	15,029	15,206	20,109	20,000	20,000
Employment Expenses	6,055	7,078	6,610	6,233	6,814
Operating Supplies/Expenses	814	1,121	665	146	176
Contractual Services	-	-	39	500	-
Total Mayor	21,898	23,405	27,423	26,879	26,990

The **Financing and Insurance** section of the FY12 budget isolates the revenues and expenditures dedicated to such financial transactions as insurance, worker's compensation, capital projects funding and debt expenses.

Financing & Insurance	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Projected	FY12 Budget
Salaries	-	-	-	-	-
Employment Expenses	198,345	287,925	327,167	262,376	317,698
Operating Supplies/Expenses	13,815	21,115	183	9,000	-
Financing Costs & Obligations	438,176	431,122	440,910	719,752	657,913
Total Financing & Insurance	650,336	740,162	768,260	991,128	975,611

Finally, the **Community Events** expenditures are isolated in a separate division of the General Fund budget. These expenditures are primarily for the annual Beach Fest, and are largely offset by Beach Fest revenue which is included in the General Fund revenues.

Community Events	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Projected	FY12 Budget
Salaries	-	-	-	-	-
Employment Expenses	-	-	-	-	-
Operating Supplies/Expenses	42,368	38,190	26,701	32,000	25,000
Contractual Services	-	-	-	-	-
Total Community Events	42,368	38,190	26,701	32,000	25,000

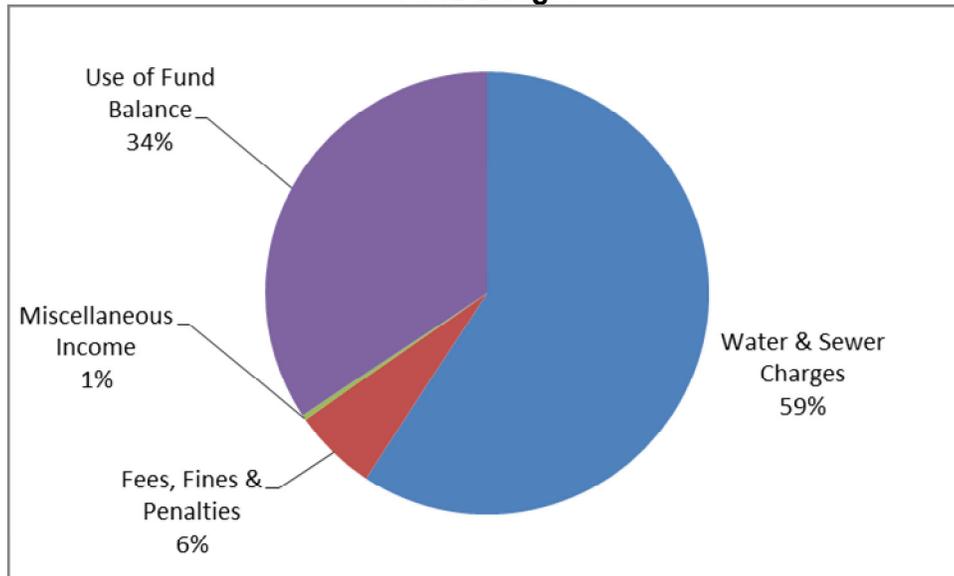
WATER & SEWER FUND

The **Water & Sewer Fund** has two components which are accounted for separately by the Village: the **Operations Fund** and the **Capital Improvements Fund**. These two funds are combined on audit statements as a single enterprise fund. The FY12 Operations budget is balanced, with revenues matching expenses at \$6,841,240. This is a 21.09% decrease over the FY11 Operations budget of \$8,669,726. The FY12 budget includes a transfer for \$2,734,652 to the Capital Improvements Fund to fund necessary, planned capital improvement projects for which significant net assets have been accumulated.

The Capital Improvements Fund is also balanced at \$2,919,573, including the transfer from the Operations Fund as revenue. This is an decrease of 41.86% over the FY11 budget of \$5,021,785.

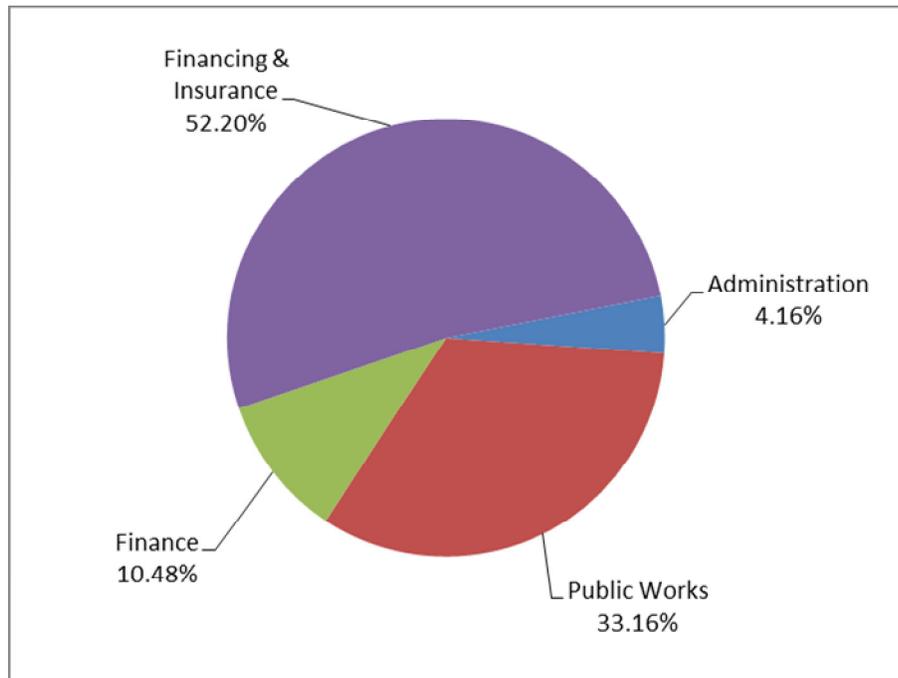
The primary sources of funds for the Operations Fund are water and sewer charges. The breakdown is included on the following chart.

**FY12 Water & Sewer Operations Fund Sources of Funds
FY12 Budget**



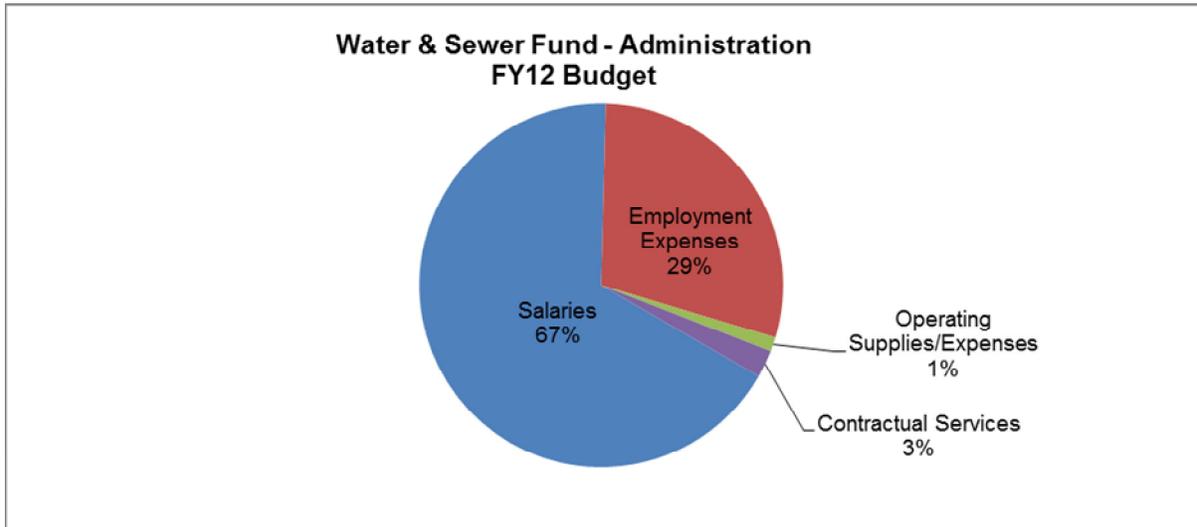
Several departments support the Water & Sewer Operations of the Village, including the Public Works, Finance, and Administration Departments. The expenses of the Operations Fund have been broken out by department in the chart on the following page. The Village purchases water from Central Lake County Joint Action Water Authority (JAWA), the cost of which is included in the Financing & Insurance section. Also included in the Financing & Insurance costs are this fund's share of liability and worker's compensation insurance and bank fees.

**Water & Sewer Operations Expenses by Department
FY12 Budget**

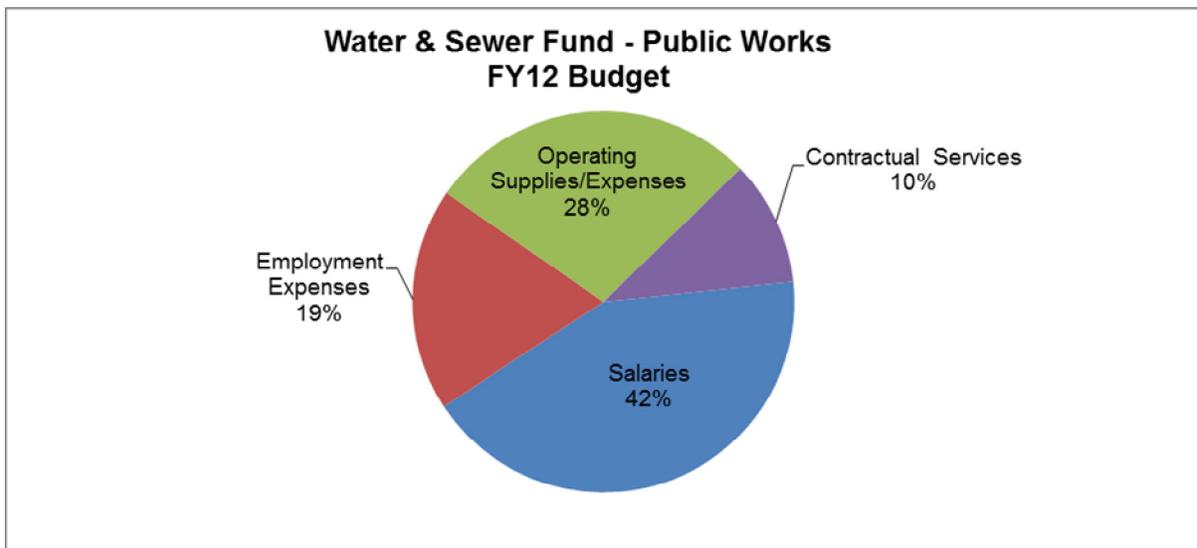


The remainder of this section shows the detailed expenses of the Water & Sewer Operations Fund. Capital expenditures are included in the next section on Capital Improvements.

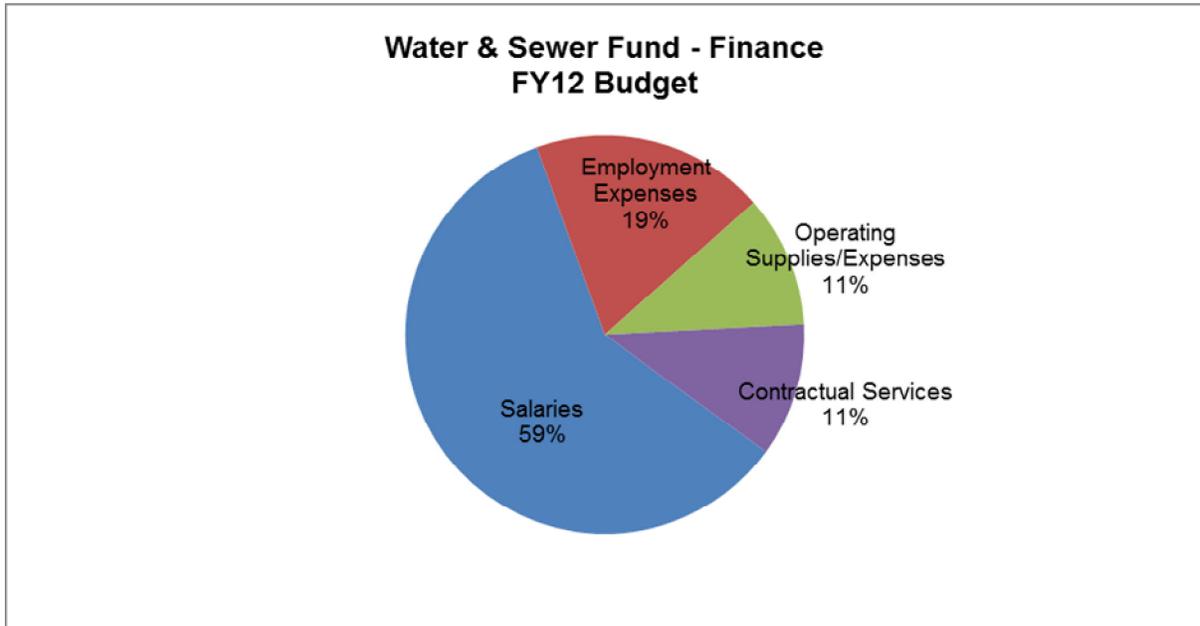
Administration	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Projected	FY12 Budget
Salaries	99,756	110,324	114,970	113,883	115,507
Employment Expenses	43,903	44,542	42,710	46,883	50,364
Operating Supplies/Expenses	3,411	2,419	2,157	2,135	2,168
Contractual Services	-	5,469	4,509	4,200	4,200
Total Administration	147,070	162,754	164,346	167,101	172,239



Public Works	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Projected	FY12 Budget
Salaries	622,958	644,056	635,690	578,556	581,758
Employment Expenses	250,508	257,411	248,519	246,007	259,282
Operating Supplies/Expenses	303,039	293,503	348,959	337,665	385,180
Contractual Services	125,290	125,467	193,868	135,973	145,368
Total Public Works	1,301,795	1,320,437	1,427,036	1,298,201	1,371,588



Finance	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Projected	FY12 Budget
Salaries	223,728	236,855	247,549	241,543	257,734
Employment Expenses	70,102	71,307	71,328	74,843	82,164
Operating Supplies/Expenses	44,311	51,687	46,176	50,259	46,569
Contractual Services	58,241	48,272	55,849	42,760	46,950
Total Finance	396,382	408,121	420,902	409,405	433,417



As is the case in the General Fund, the Water and Sewer Fund also has a “department” for Financing and Insurance which isolates the expenses for such personnel and financial transactions as insurance, worker’s compensation, capital projects funding and debt expenses.

Financing & Insurance	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Projected	FY12 Budget
Salaries	-	-	-	-	-
Employment Expenses	191,123	114,142	301,122	167,267	265,966
Operating Supplies/Expenses	182	25	133,486	182	-
Contractual Services	1,635,966	1,611,422	1,703,661	1,807,750	1,891,628
Financing Costs & Obligations	443,396	507,629	522,732	1,517	2,000
Total Financing & Insurance	2,270,667	2,233,218	2,661,001	1,976,716	2,159,594

OTHER FUNDS

The detailed revenue and expense budgets for each of the **OTHER GOVERNMENTAL FUNDS** are included below. Fund balance analysis of these funds is included on page 15 in the Combined Statement of Proposed Revenue/Expenditure & Changes in Fund Balance and therefore not addressed in this section.

The **Housing and Redevelopment Fund** tracks the expenditures on affordable housing properties that the Village purchases with the intent of reselling to buyers in qualifying income levels. This fund is included with the General Fund on the fund balance analysis on page 15.

Housing & Redevelopment	FY09 Actual	FY10 Actual	FY11 Projected	FY12 Budget
Property Purchase	-	142,107	-	150,000
Rehab Expense	1,000	31,023	112,000	75,000
Legal	-	1,467	2,109	5,000
Interest	12,552	8,063	10,855	11,000
Other	31,312	2,078	18,494	11,400
Total Housing & Redevelopment	44,864	184,738	143,458	252,400

The **TIF#1 Debt Service Fund** accumulates financial resources for the payment of interest and principal on the TIF Revenue Bonds 2003.

TIF #1 Debt Service Fund	FY09 Actual	FY10 Actual	FY11 Projected	FY12 Budget
Principal	840,000	885,000	945,000	495,000
Interest	199,167	156,938	115,785	71,843
Bond issue cost	-	-	-	-
Fiscal agent fees	3,485	3,485	3,000	3,000
Total TIF #1 Debt Service Fund	1,042,652	1,045,423	1,063,785	569,843

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 Number 1.

TIF #1 Capital Projects Fund	FY09 Actual	FY10 Actual	FY11 Projected	FY12 Budget
Interest expense	5,936	1,577	-	-
Principal expense	84,059	46,121	-	-
Operating expense	-	1,397	-	-
Contractual services	7,699	12,654	5,000	5,000
Capital outlay	1,315,493	2,942,520	3,539,896	3,649,000
Total TIF #1 Capital Projects Fund	1,413,187	3,004,269	3,544,896	3,654,000

The **TIF #2 Rebate Fund**, related to the Tax Increment Redevelopment Project Area Number 2 established by Village Ordinances. Property taxes received are returned to the Lake County Collector to be redistributed among the taxing bodies within the TIF #2 District.

TIF #2 Rebate Fund	FY09 Actual	FY10 Actual	FY11 Projected	FY12 Budget
Rebate	1,939,475	2,141,195	2,220,487	2,201,800
Total TIF #2 Rebate Fund	1,939,475	2,141,195	2,220,487	2,201,800

The **TIF#3 Capital Projects Fund** accounts for the revenues and expenses relating to the capital projects within the boundaries of the Tax Increment Redevelopment Project Area Number 3.

TIF #3 Capital Projects Fund	FY09 Actual	FY10 Actual	FY11 Projected	FY12 Budget
Capital outlay	144,253	4,450	74,000	325,000
Total TIF #3 Capital Projects Fund	144,253	4,450	74,000	325,000

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

Bond Funded Capital Projects Fund	FY09 Actual	FY10 Actual	FY11 Projected	FY12 Budget
Capital outlay	1,163,914	1,315,580	2,322,480	2,961,000
Total Bond Funded Capital Projects Fund	1,163,914	1,315,580	2,322,480	2,961,000

The **Cultural and Civic Center Fund** captures the revenues and expenditures incurred by the Cultural and Civic Center located at 2007 Civic Center Way. This 31,000 square foot building has a banquet room with a stage overlooking Hook Lake. It has meeting or event rooms for 20 – 550 people. It also has an outdoor stage with natural amphitheater seating for 3,000 people. The Civic Center hosts private rentals for birthday parties, quincineras, craft groups, and showers; organization, business, and corporate events, workshops, and meetings; community events; weddings; and many other types of events.

Civic Center Operations	FY09 Actual	FY10 Actual	FY11 Projected	FY12 Budget
Salaries	26,812	23,631	28,099	32,193
Employment Expenses	9,074	9,587	11,327	11,879
Operating Supplies/Expenses	70,467	71,046	47,917	50,410
Contractual Services	21,574	12,336	13,350	14,484
Total Civic Center Operations	127,927	116,600	100,693	108,966

The fund balance analysis for this fund is included on page 15.

The **General Capital Improvements Fund**, related to one-time expenditures for large equipment, vehicles, or other large items to support general operations.

General Capital Improvements	FY09 Actual	FY10 Actual	FY11 Projected	FY12 Budget
Principal	-	103,999	-	-
Interest and fiscal services	-	87,962	-	-
Capital outlay	1,325,779	346,866	516,726	445,142
Total General Capital Improvements	1,325,779	538,827	516,726	445,142

The **Police Special Revenue Fund** isolates expenditures that are restricted for a special law enforcement purpose based on the source of the funds (e.g., federal grant, DUI fines, etc.). The fund balance analysis for this fund is on page 12.

Police Special Revenue Fund	FY09 Actual	FY10 Actual	FY11 Projected	FY12 Budget
Federal - Treasury Funds Expense	-	-	-	-
State Seizure Expense	500	3,555	2,680	3,077
Federal - Justice Funds Expense	-	-	7,294	2,000
DUI/740 Control Expense	20,825	370	12,094	5,000
K-9 Grant Expense	6,411	5,982	5,801	6,500
Mobile Eye Expense	5,400	12,023	11,440	12,000
Explorers Program Expense	-	-	-	-
Total Police Special Revenue Fund	33,136	21,930	39,309	28,577

The **Metra Operations Fund** summarizes the expenditures required for operation of the Metra Station on Hook Drive.

Metra Operations	FY09 Actual	FY10 Actual	FY11 Projected	FY12 Budget
Operating expenses	17,392	18,090	16,500	16,544
Contractual services	11,646	22,953	14,966	15,466
Capital outlay	9,169	55,606	-	-
Total Metra Operations	38,207	96,649	31,466	32,010

The **Motor Fuel Tax Fund** supports the street repair and construction program of the Village. It receives its revenue from state allotments of motor fuel taxes. Specific state law governs the expenditures of this fund. Funds may only be expended for state qualified road repair, construction, reconstruction projects or street maintenance materials.

Motor Fuel Tax Fund	FY09 Actual	FY10 Actual	FY11 Projected	FY12 Budget
Principal	-	270,000	-	-
Interest and fiscal services	-	59,321	-	-
Capital outlay	596,804	524,073	1,140,532	584,970
Total Motor Fuel Tax Fund	596,804	853,394	1,140,532	584,970

General Obligation Debt Service is tracked in its own separate fund. The only expenditures in this fund are the principal and interest payments associated with outstanding bond debt issues, along with any bond issuance costs.

General Obligation Debt Service	FY09 Actual	FY10 Actual	FY11 Projected	FY12 Budget
Principal	760,000	785,000	1,015,000	1,165,000
Interest and fiscal services	660,009	633,599	755,775	862,928
Bond issue cost	-	57	-	-
Total General Obligation Debt Service	1,420,009	1,418,656	1,770,775	2,027,928

CAPITAL IMPROVEMENT PROGRAM

The Five-Year Plan

Each year, Village staff meets with the Village’s Engineer to update the 5-year Capital Improvement Program. This schedule provides proposed public projects and purchases over a five-year period which meet the capital improvement goals and objectives defined by the Mayor and Board of Trustees.

The Capital Improvement Program includes capital projects and non-routine projects costing \$5,000 or more, as well as acquisition of assets that cost \$5,000 or more. This includes acquisition, construction, or replacement of various equipment or facilities, including public buildings, infrastructure, utilities, parks, vehicles and large equipment. For the Village’s purposes, it also includes annual and routine maintenance of a significant amount that would be difficult to fund in operating budgets (such as water main repairs that are identified through annual televising and/or inspection). This Capital Improvement Program schedule is not intended to provide precise budgeting. Capital costs are projected as estimates. Upon each semi-annual update of the plan, deletions, additions, delays, or other revisions may occur, reflecting changing community needs. Only after individual approval of the Village Board of the contract or agreement governing a purchase or project is the item considered funded.

While some of the capital projects included in this schedule will require ongoing operational costs upon completion, the Village is confident that there will be ongoing operational savings as the amount of time spent on the aging infrastructure is reduced. For example, the road resurfacing on the North Side will ensure that these roads do not reach a stage where total restoration is required, at least for fifteen or twenty years. The water main replacement projects will most likely reduce unaccounted for water leakage. The schedule also includes maintenance-type activities such as televising of mains to identify areas of concern. Those items identified would then be added into the capital project schedule and prioritized appropriately to ensure that the Village is addressing the item at the soonest practical opportunity, while staying within the limited financial means of the Village.

The five-year schedule (summarized below and on the next page) is used for planning and budgeting purposes only. It is not formally approved by the Board of Trustees. The projects and purchases scheduled for FY12 have been discussed in detail and approved by the Board as part of the overall FY12 budget.

5 - Year Capital Improvement Plan					
	FY12	FY13	FY14	FY15	FY16
Water & Sewer Capital Projects Fund					
Capital Projects					
Basin 1&2 Watermain	\$2,470,964				
Lift Station Upgrades	\$32,400				
Well #6 Upgrade	\$37,500				
Oakwood Drive Stormwater Pump Station			\$525,000		
Watermain Improvements		\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Ongoing Maintenance					
SCADA Maintenance	\$5,720	\$20,000	\$5,000	\$5,000	\$5,000
Water Meter Replacement	\$36,944	\$40,000	\$40,000	\$40,000	\$40,000
CMOM Annual Cleaning/Televising	\$100,000				
Sanitary Sewer Inspection Program		\$108,000	\$108,000	\$108,000	\$108,000
GIS Updates	\$55,000	\$25,000	\$25,000	\$25,000	\$25,000
Annual Maintenance (Sewer)		\$250,000	\$250,000	\$250,000	\$250,000
TOTAL - Water & Sewer Capital Projects	\$2,738,528	\$1,443,000	\$1,953,000	\$1,428,000	\$1,428,000

5 - Year Capital Improvement Plan					
	FY12	FY13	FY14	FY15	FY16
Metra Fund					
Parking Lot Resurfacing		\$34,000			
TOTAL - Metra Fund	\$0	\$34,000	\$0	\$0	\$0
Motor Fuel Tax Fund					
Capital Projects					
CMAQ Sidewalk Phase I					
CMAQ Sidewalk Phase II	\$229,970				
LAPP Roads Project (Hawthorne)					
Roadway Improvements (Lotus Drive)					
Hook Drive Restriping					
Ongoing Maintenance					
Road Resurfacing Debt Service	\$350,475	\$350,500	\$350,500	\$350,500	\$350,500
Materials Purchase	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000
TOTAL - Motor Fuel Tax Fund	\$930,445	\$700,500	\$700,500	\$700,500	\$700,500
TIF Capital Projects Fund					
Kenmore/Redwing					
North/Woodmoor	\$1,035,000				
Hickory/Oak					
Remaining TIF Roadways	\$2,614,000	\$1,700,000	\$1,700,000	\$0	\$0
TOTAL - TIF Capital Projects Fund	\$3,649,000	\$1,700,000	\$1,700,000	\$0	\$0
TIF#3 Capital Projects Fund					
Public Improvements	\$325,000				
TOTAL - TIF #3 Capital Projects Fund	\$325,000	\$0	\$0	\$0	\$0
Bond Funded Capital Projects Fund					
Basin 1&2 Road Improvements	\$2,564,000				
North Side Road Improvements	\$397,000				
TOTAL - Bond Funded Capital Projects	\$2,961,000	\$0	\$0	\$0	\$0
General Fund Capital Fund					
IT Equipment					
Computer Upgrade/Replacement	\$16,164	\$12,000	\$12,000	\$12,000	\$12,000
Software Upgrade/Replacement	\$14,145				
Other	\$50,000	\$4,000	\$4,000	\$4,000	\$4,000
Facility Maintenance/Repair/Replacement					
Parking Lots	\$9,400	\$10,500	\$10,500	\$10,500	\$10,500
Culvert Replacement					
Other	\$116,678				
Equipment Maintenance/Repair/Replacement					
Public Works	\$51,602	\$15,000	\$20,000	\$15,000	\$15,000
Vehicle Replacement					
Administration	\$14,213	\$12,000			
Economic Development	\$2,240		\$9,000	\$9,000	\$9,000
Police Department	\$63,481	\$75,000	\$100,000	\$100,000	\$100,000
Public Works	\$107,219	\$80,000	\$100,000	\$150,000	\$150,000
TOTAL - General Fund Capital Fund	\$445,142	\$208,500	\$255,500	\$300,500	\$300,500
TOTAL CAPITAL PROJECTS	\$10,724,115	\$4,086,000	\$4,609,000	\$2,429,000	\$2,429,000

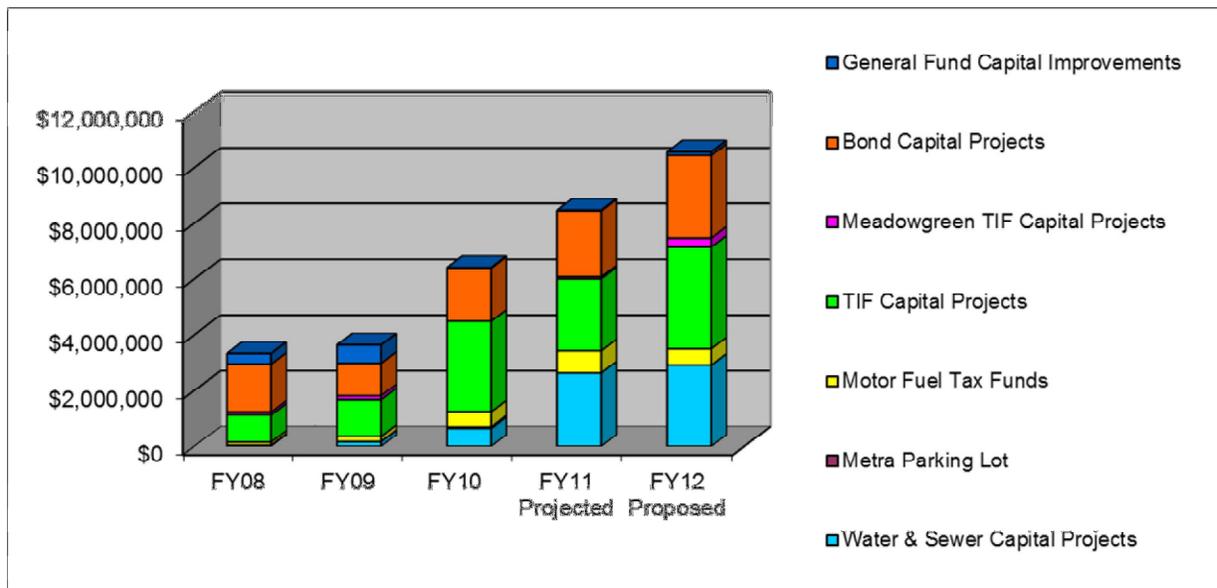
The Village is very aware of the importance of maintaining its infrastructure. Water infrastructure is expensive as are the monetary and social costs incurred when infrastructure fails. If a system is well maintained, it can operate safely over a long time period. The Village carries out an ongoing process of oversight, evaluation, maintenance, and replacement of their assets as needed to maximize the useful life of infrastructure.

Road infrastructure requires maintenance to ensure that the asset continues to function as designed or intended, and to meet the required quality standards throughout its anticipated lifetime. It can also extend the life of the asset beyond the original “design life.”

FY12 Projects and Purchases

As mentioned previously in this document, the Village has budgeted an aggressive capital project plan for the upcoming FY12. The need for these projects has been known and funds have been set aside for several years. The Village does not feel that it can delay these necessary infrastructure projects because of the struggling economy and in fact, is benefitting from bids below Engineer’s estimates in many cases, which may result in more intense competition over available work.

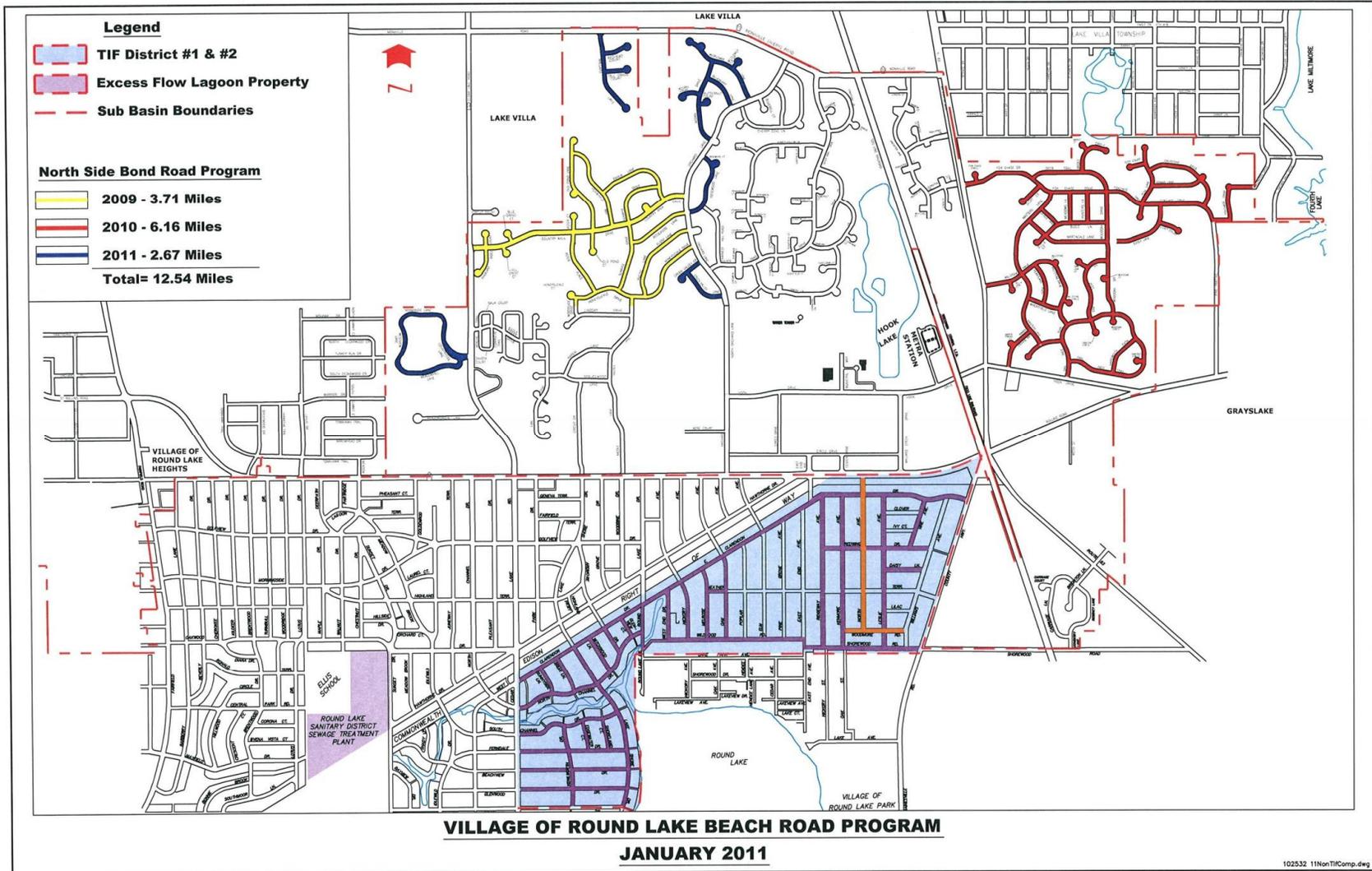
The following chart shows breakdown of the FY12 budget capital expenditures.



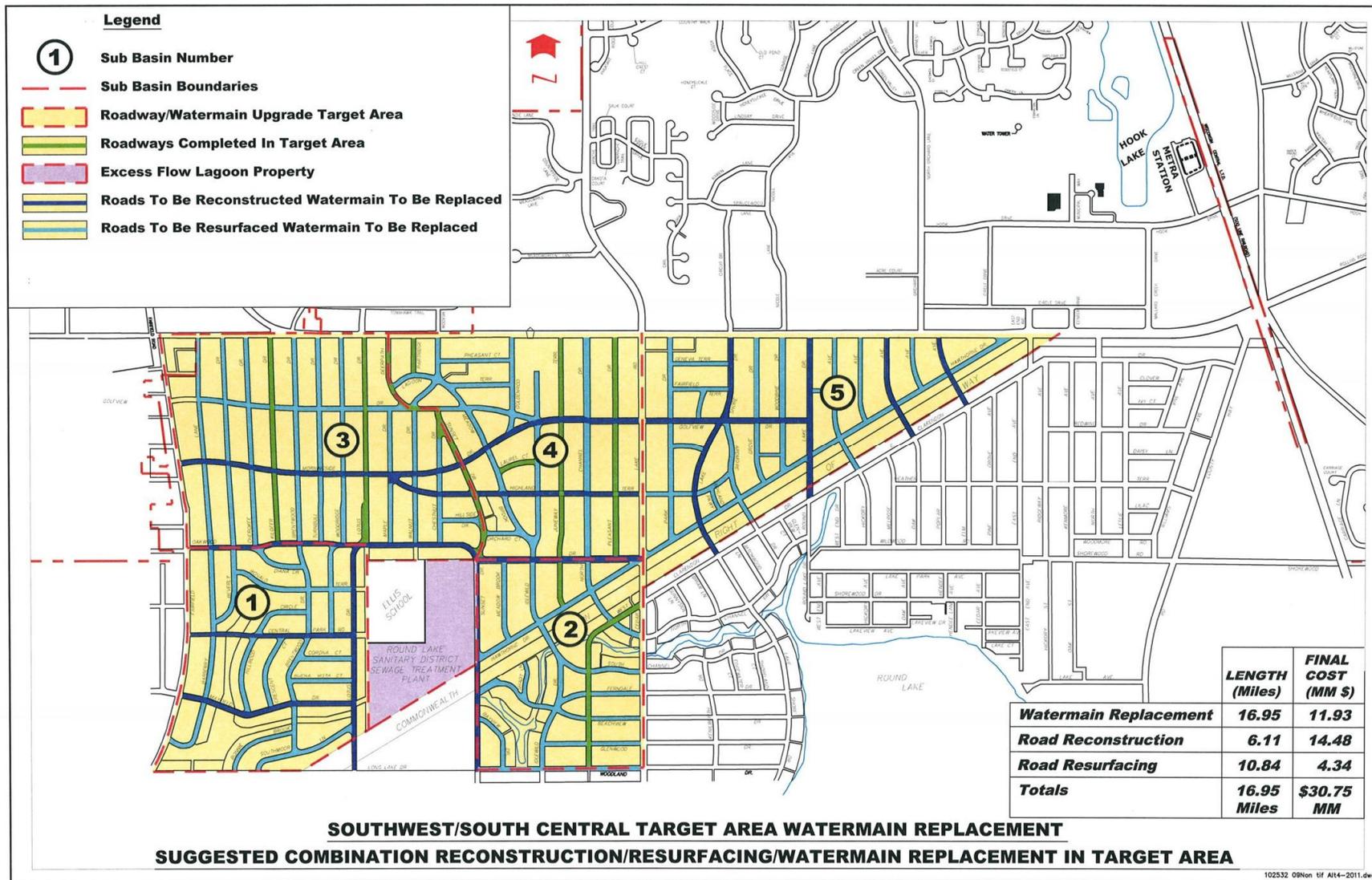
The Village continues an aggressive capital campaign in the south/southwest portion of the Village. The improvements include watermain and roadway work. The Village is also completing roadway improvements on the North side of the Village to extend the useful life and improve the condition of the roadway infrastructure.

The maps included on the following pages depict the capital improvements anticipated for FY11 and FY12.

ROADWAY IMPROVEMENTS



WATERMAIN AND ROADWAY IMPORVEMENTS



APPENDIX

THE BUDGETING PROCESS

The Village has been very aware that the state of the economy will impact its budget for the next several years. Therefore, it has been and will continue monitoring actual activity against the budget very closely throughout the budget year. The budgeting process began in October with a FY12 Budget Kickoff meeting for all staff involved in the development of the budget. At this meeting, the budget schedule was discussed, the steps in the budget process were described, and initial parameters were established. In November, the Tax Levy was proposed and discussed. A Public Hearing was held on December 13, 2010, and the Tax Levy for tax year 2010 was passed at the regular Board meeting later that evening. All staffing requests were submitted to the Village Administrator for review and consideration. Departments first submitted their department-generated revenue projections and capital equipment needs (e.g., vehicles, information technology, and other assets over \$5,000 in value). Next, departments submitted their operating budget requests. Capital project schedules were reviewed and project plans were discussed with the Village’s engineer such that the multi-year capital project plan could be revised and updated. The Finance Department compiled all the budget data into a consolidated budget document and discussed it with the Village Administrator beginning at the end of December 2010. Numerous departmental meetings were held to refine the budget requests.

A draft budget was then prepared for the Administrator and Mayor’s review and comment. All comments were incorporated and a Recommended FY12 Budget was distributed to the trustees for review. Informal budget workshops were held with the Trustees, at which the budget was discussed in line-item by line-item detail. A Public Hearing was held regarding the budget on March 14, 2011. The Board then approved and adopted the Final Budget at its regular meeting on March 14, 2011.

This budget process is summarized in graphical format below.

October 2010	November 2010	December 2010	January 2011	February 2011	March 2011
<ul style="list-style-type: none"> - Initial Planning - Budget Kickoff Meeting 	<ul style="list-style-type: none"> - Tax Levy discussions begin - Departments submit revenue projections - Departments submit capital asset needs 	<ul style="list-style-type: none"> - Public Hearing on Tax Levy - Tax Levy passed by Board - Departments submit operating budget requests - Capital project planning occurs 	<ul style="list-style-type: none"> - Budget is compiled - Departmental meetings to refine budget requests and projections - Departments submit performance measures 	<ul style="list-style-type: none"> - Budget workshops with Trustees - Final revisions to budget 	<ul style="list-style-type: none"> - Proposed budget is presented at Public Hearing - Budget document is prepared - Budget is adopted

During the course of the fiscal year, the Mayor and Board of Trustees monitor the budget performance and priorities. In the event that program priorities change, the Mayor and Board may amend the budget through appropriate action.

The budget reflects the modified accrual basis of accounting. Under this basis, revenues are budgeted for the fiscal year in which they are susceptible to accrual, in other words, both measurable and available. “Available” means collectible within the budget year or soon enough thereafter to be used to pay liabilities of the budget year. Expenditures are recorded in the budget year in which the fund liability is incurred, if measurable.

STATEMENT OF FINANCIAL POLICIES

Operating Budget Policies

The guiding principle of budgetary policy is to achieve structural balance between revenues and expenditures to ensure that desired service levels are provided on a sustained basis.

The Village funds current operating expenditures with current operating revenues. A balanced budget is adopted for each fund with the exception of capital budgets. Excess operating revenues beyond the amount required to cover operating expenses are set aside for one-time capital improvement expenditures. Therefore, during any given fiscal year a capital budget may have expenditures that exceed the current operating revenues by an amount funded from a prior year. All budget expenditures are incorporated into an annual budget, and appropriations lapse at year-end.

Passage of the annual budget by the mayor and the board of trustees shall be in lieu of passage of the appropriation ordinance, as required by state statute.

The Village maintains a budgetary control system, which enables the municipality to adhere to the adopted budget. This includes decentralized purchasing, but a centralized approval of all purchase orders over \$1,000 and a centralized payable system to be adhered to by all programs and activities receiving annual appropriations.

The Village prepares monthly financial reports comparing actual revenues and expenditures to budget amounts.

GENERAL FUND – FUND BALANCE

A General Fund year-end balance is maintained within 25% of annual General Fund revenues.

CASH RESERVE POLICIES

An appropriate level of cash reserves is established in each of the primary funds (General, Tax Incremental Financing, and Water/Sewer Utility) based on historical and projected stability and predictability of the underlying revenues and expenditures. Reserves are established to:

- 1) Provide for settlement of pending labor contract negotiations;
- 2) Provide for temporary funding of unforeseen needs of an emergency or non-recurring nature;
- 3) Permit budgetary adjustments in the event of unanticipated revenue shortfalls;
- 4) Meet unexpected small increases in service delivery costs;
- 5) To fund one-time capital improvement expenditures.

REVENUE POLICIES

The Village maintains a broad-based, well-diversified portfolio of revenues to prevent over-reliance on any one revenue source. Tax and revenue burdens are to be appropriately distributed through the imposition of excise taxes, such as sales taxes, and user fees.

TAX INCREMENT FINANCING POLICIES

The Village has established three TIF Districts. TIF #1 was established in 1986 to help create a strong commercial tax base in the central business district, as well as to implement a phased public works improvements project in a section of the Village where the infrastructure was substantially deteriorated. TIF #2 was created in 1997 to adjoin TIF#1 in regards to replacement of infrastructure. TIF#2 was created with an intergovernmental agreement that all incremental taxes received due to increases in valuation were declared surplus and are redistributed back to the original taxing districts. TIF#3 was created in 1999 for the redevelopment of the Meadowgreen Subdivision.

DEBT SERVICE POLICIES

Since the Village of Round Lake Beach is a home rule unit, there is presently no statutory limit on the amount of general debt outstanding. However, if the Village was subject to such limitations, outstanding indebtedness could not exceed 8.625% of equalized assessed valuation. The Village continues to maintain lower debt levels as part of a conservative practice to keep moderate debt burden with rapid principal reductions.

The Village limits long-term debt to only those capital improvements that cannot be financed from current revenues. The Village of Round Lake Beach has not used long-term debt to fund operating programs. The maturity date for any debt obligation will not exceed the reasonably expected useful life of the project it is financing.

The Village's bond rating was upgraded by Moody's on general obligation bonds to A1 with the issuance of the Series 2009. The Village was also rated by Standard & Poor's for the first time in 2009, receiving a rating of AA-.

The Village of Round Lake Beach will continue to monitor interest rates and refinance debt when conditions are favorable.

INVESTMENT POLICIES

The Village of Round Lake Beach follows established cash management and investment guidelines as established in the Village's adopted ordinance for investment policy.

Village of Round Lake Beach Schedule of Outstanding Debt

Date Issued =	GO 8/15/2001	GO 4/1/2004	GO 11/15/2004	GO 8/1/2006	GO (BABS) 7/27/2009	GO (RZ) 8/12/2010	IEPA Loan 10/29/2006	Tax Increment Rev Bonds 10/29/2003	Incremental sales tax notes payable 1998	Incremental sales tax notes payable 2004	Total Outstanding
Calendar Year	Principal Amount Outstanding										Total Outstanding
2011	\$4,410,000	\$3,860,000	\$2,870,000	\$3,350,000	\$3,225,000	\$3,000,000	\$1,993,601	\$1,545,000	\$3,315,565		\$27,569,166
2012	\$4,125,000	\$3,640,000	\$2,710,000	\$3,200,000	\$3,020,000	\$3,000,000	\$1,873,042	\$1,050,000	\$2,986,539		\$25,604,581
2013	\$3,830,000	\$3,415,000	\$2,545,000	\$3,045,000	\$2,810,000	\$2,760,000	\$1,749,451	\$535,000	\$2,636,126		\$23,325,577
2014	\$3,520,000	\$3,185,000	\$2,375,000	\$2,880,000	\$2,595,000	\$2,635,000	\$1,622,750	\$0	\$2,262,936		\$21,075,686
2015	\$3,195,000	\$2,945,000	\$2,200,000	\$2,710,000	\$2,375,000	\$2,510,000	\$1,492,862		\$1,865,489		\$19,293,351
2016	\$2,855,000	\$2,700,000	\$2,015,000	\$2,535,000	\$2,150,000	\$2,380,000	\$1,359,707		\$1,442,208		\$17,436,915
2017	\$2,500,000	\$2,445,000	\$1,825,000	\$2,350,000	\$1,915,000	\$2,250,000	\$1,223,201		\$991,413		\$15,499,614
2018	\$2,130,000	\$2,180,000	\$1,630,000	\$2,160,000	\$1,675,000	\$2,115,000	\$1,083,262		\$511,317		\$13,484,579
2019	\$1,745,000	\$1,905,000	\$1,425,000	\$1,960,000	\$1,425,000	\$1,980,000	\$939,803		\$0		\$11,379,803
2020	\$1,340,000	\$1,620,000	\$1,210,000	\$1,750,000	\$1,165,000	\$1,840,000	\$792,734				\$9,717,734
2021	\$915,000	\$1,320,000	\$990,000	\$1,530,000	\$890,000	\$1,695,000	\$641,966				\$7,981,966
2022	\$470,000	\$1,010,000	\$760,000	\$1,305,000	\$605,000	\$1,545,000	\$487,405				\$6,182,405
2023	\$0	\$685,000	\$520,000	\$1,065,000	\$310,000	\$1,395,000	\$328,956				\$4,303,956
2024		\$350,000	\$265,000	\$815,000	\$0	\$1,240,000	\$166,521				\$2,836,521
2025		\$0	\$0	\$555,000		\$1,080,000	\$0				\$1,635,000
2026				\$285,000		\$915,000					\$1,200,000
2027				\$0		\$745,000					\$745,000
2028						\$570,000					\$570,000
2029						\$385,000					\$385,000
2030						\$195,000					\$195,000
2031						\$0					\$0

As a home rule unit, VRLB has no statutory limit on amount of general debt outstanding. For non-home rule units of government, outstanding indebtedness could not exceed 8.625% of equalized assessed valuation (2010: \$443,957,354). Therefore, the Village's benchmark "debt limit" is \$38,291,321.

Village of Round Lake Beach Schedule of Debt Service Payments

Date Issued =	GO	GO	GO	GO	GO (BABS)	GO (RZ)	IEPA Loan	Tax Incremental	Incremental	Total
	8/15/2001	4/1/2004	11/15/2004	8/1/2006	7/27/2009	8/12/2010	10/29/2006	Rev Bonds	sales tax notes payable	
Fiscal Year	Principal + Interest Payment Due									
2010	\$493,283	\$356,693	\$275,306	\$291,833	\$334,015		\$169,650	\$1,041,938	\$544,538	\$3,507,254
2011	\$492,008	\$360,393	\$275,269	\$290,815	\$349,856	\$54,435	\$169,650	\$1,060,785	\$544,538	\$3,597,748
2012	\$490,438	\$358,793	\$274,669	\$289,590	\$350,856	\$260,983	\$169,650	\$566,843	\$544,538	\$3,306,358
2013	\$492,353	\$357,043	\$273,894	\$293,158	\$350,475	\$259,243	\$169,650	\$563,825	\$544,538	\$3,304,177
2014	\$493,713	\$360,028	\$272,519	\$291,310	\$349,175	\$261,963	\$169,650	\$559,878	\$544,538	\$3,302,772
2015	\$494,088	\$357,348	\$275,519	\$289,255	\$346,113	\$259,088	\$169,650		\$544,538	\$2,735,597
2016	\$493,448	\$359,140	\$273,119	\$291,993	\$342,313	\$260,650	\$169,650		\$544,538	\$2,734,849
2017	\$492,118	\$360,343	\$270,281	\$289,315	\$342,188	\$256,425	\$169,650		\$544,538	\$2,724,857
2018	\$488,728	\$360,935	\$272,238	\$291,430	\$336,025	\$256,855	\$169,650		\$544,538	\$2,720,398
2019	\$491,440	\$360,898	\$273,781	\$293,130	\$334,625	\$251,140	\$169,650		\$544,538	\$2,719,202
2020	\$492,000	\$365,210	\$269,913	\$294,310	\$332,750	\$250,268	\$169,650		\$544,552	\$2,718,652
2021	\$490,750	\$363,660	\$270,838	\$290,070	\$334,750	\$103,828	\$169,650			\$2,023,545
2022	\$493,500	\$366,260	\$271,350	\$295,620	\$331,000	\$391,650	\$169,650			\$2,319,030
2023		\$363,260	\$276,450	\$295,540	\$326,394	\$89,225	\$169,650			\$1,520,519
2024		\$364,525	\$275,931	\$294,915	\$326,275	\$386,125	\$169,650			\$1,817,421
2025				\$293,865		\$72,755	\$169,650			\$536,270
2026				\$297,255		\$388,795	\$84,825			\$770,875
2027						\$54,555				\$54,555
2028						\$389,525				\$389,525
2029						\$34,200				\$34,200
2030						\$23,100				\$23,100
2031						\$581,700				\$581,700

As a home rule unit, VRLB has no statutory limit on amount of general debt outstanding. For non-home rule units of government, outstanding indebtedness could not exceed 8.625% of equalized assessed valuation (2010: \$443,957,354). Therefore, the Village's benchmark "debt limit" is \$38,291,321.

VILLAGE PROFILE

General Description: The Village is a home rule municipality under Illinois law, by virtue of the 2000 U.S. Census. The Village is located approximately 53 miles northwest of Chicago and encompasses approximately 5.10 square miles of which 5.0 square miles are land and 0.1 square mile is water. The Village is bordered generally by the Village of Lake Villa to the north, the Village of Grayslake to the east, the Village of Round Lake Park to the south, the Village of Round Lake to the southwest, the Village of Round Lake Heights to the west, and unincorporated land to the northeast, southeast, and west. The Village is located approximately six (6) miles west of the Tri-State Tollway (Interstate 94). Commuter rail service is provided by METRA (the North Central Line) with a rail station located in Round Lake Beach.

Gas service for the Village is provided by Nicor and North Shore Gas. Exelon provides electric service. The Village purchases Lake Michigan water from the Central Lake County Joint Action Water Agency (CLCJAWA). The Village has an agreement with Lake County Public Works to process wastewater through its Sanitary Sewage Treatment Services. Sewage is collected through Village mains, transported through transmission lines and treated at the Fox Lake sewage plant.

Recreational opportunities are provided by the Round Lake Area Park District. Library service is provided by the Round Lake Area Library District, the Lake Villa Public Library District, and the Grayslake Area Public Library District. Fire protection is provided by the following districts: Greater Round Lake Fire Protection District, Grayslake Fire Protection District, and Lake Villa Township Fire Protection District.

The Village is served by Elementary School District Numbers 38, 41, 46, and 50; High School District Numbers 124 and 127; and Unit School District Number 116. The Village is served by Community College District Number 532 (College of Lake County). Condell Immediate Care Center is located within the Village; Advocate Condell Medical Center in Libertyville is located approximately ten (10) miles from the Village.

History: In 1930, land developer L. B. Harris noticed that only a small portion of Round Lake's shoreline had been built up since the coming of the railroad in 1930. The lake's reputation as a resort area convinced him that the west side of the lake could be profitably developed, even during the Great Depression. Blue-collar Chicagoans found the development attractive and residents voted to incorporate in January 1937. Round Lake Beach's population ballooned as returning World War II servicemen deserted Chicago for a suburban setting. In the 1970's, the commercial area along Rollins Road emerged. By the mid-1990's, area growth was so strong that Metra, which directs Chicago metropolitan rail commuter activity, added commuter passenger service to the Wisconsin Central freight line which passes along the eastern edge of Round Lake Beach. (*Source: Encyclopedia of Chicago*)

Type of Government: The Village President (Mayor) is the chief executive officer of the Village and is elected for a four-year term. The six trustees of the Village Board are

elected at large to serve four-year, overlapping terms and may be elected for an infinite number of terms. The Village Board is the legislative body of the government and determines all matters of Village policy, approves all Village ordinances and resolutions, and adopts the annual Village budget. The Village Clerk is elected at large for a four-year term and is the recording officer of the Village. The Village Administrator and Village staff are responsible to the Mayor and Village Board for the administration of all activities, functions, and programs of the Village in accordance with State law and the policies and guidelines adopted by the Village Board.

Facilities: Village Hall, 1937 N. Municipal Way
Police Department, 1947 N. Municipal Way
Public Works, 911 Lotus
Metra Train Station, 680 E. Mallard Creek Dr.
Cultural and Civic Center, 2007 Civic Center Way

Population Trend: 2010: 28,175 (U.S. Census Bureau Census 2010)
2007: 27,959 (U.S. Census Bureau 2007 Population Estimate)
2000: 25,859 (U.S. Census Bureau Census 2000)
1990: 16,434 (U.S. Census Bureau Census 1990)
1960: 5,011 (U.S. Census Bureau Census 1960)

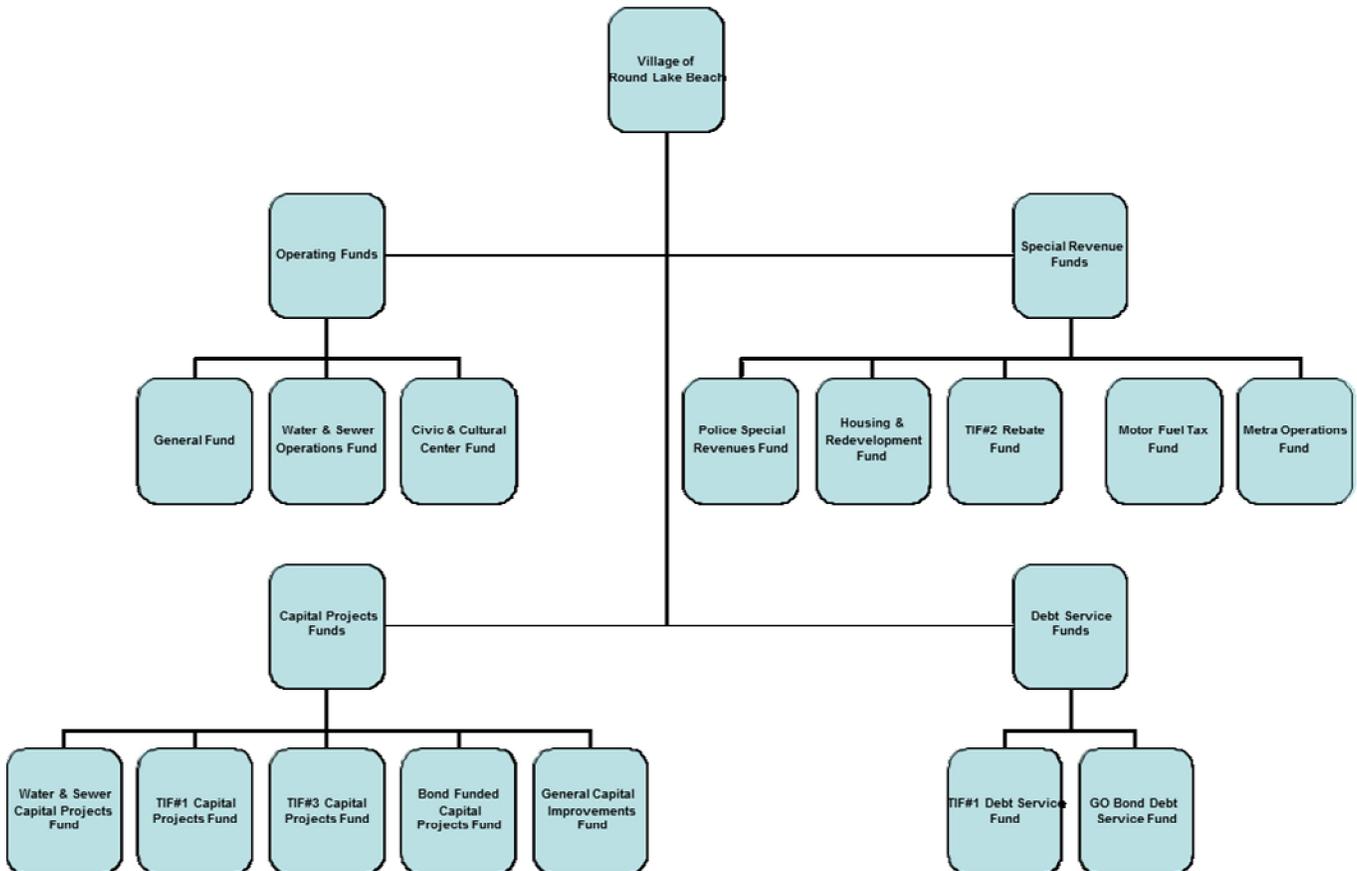
Data Profile*: Average Household Size: 3.53
Median Age: 29.2
Total Housing Units: 8,369
Median Household Income: \$62,500 (in 2007 inflation adjusted dollars)
Per Capita Income: \$20,528 (in 2007 inflation adjusted dollars)

* Source: U.S. Census Bureau, 2005 – 2007 American Community Survey

FUND DESCRIPTIONS

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. Fund accounting helps municipalities to ensure and demonstrate compliance with finance-related legal requirements. The following chart shows how the Village’s funds are categorized by operational function. Such groupings are beneficial in the budget process so that like expenditures can be totaled.

Operational Categorization of Funds



For accounting and financial reporting purposes, funds are divided into governmental funds, proprietary funds, and fiduciary funds. All of the funds shown above are considered governmental funds, with the exception of the Water & Sewer Operations Fund and the Water & Sewer Capital Projects Fund, which together make up the Village’s one proprietary fund. The Village also has one fiduciary fund, the Police Pension Fund, but this is not appropriated by the Village and the Village cannot use its funds to finance its operations. Therefore, there is no budget information included for that fund.

GLOSSARY

This budget document contains financial, accounting, and budgetary terms that may not be familiar to all readers. A glossary is provided to assist readers in understanding the information in this document.

Accrual Basis of Accounting – Revenues are recognized in the accounting period in which they are earned while expenses are recognized when the related liability occurs.

Assessed Valuation – A value that is assessed on real or personal property for use as a basis for levying property taxes. Property values are assessed by the County Assessor.

Assets – Property owned by the Village that has a monetary value.

Authorized Position – Employee positions, which are authorized in the adopted budget, to be filled during the year.

Bond – A written promise to pay an amount of money on a specific date at a specific interest rate. The interest rates and schedule of principal repayment are detailed in a bond ordinance. Bonds are most frequently issued to fund capital projects (e.g., buildings, streets, etc.).

Budget – The annual process which documents the financial sources and uses of funds which will be used to carry out Village services and annual policy directives of the Mayor and Board of Trustees. Illinois State statute requires that the Village approve an annual budget that sets the legal spending limits for the Village.

Balanced Budget – A budget in which estimated revenues equal estimated expenditures.

Capital Improvement Project – A major construction, acquisition, or renovation activity which adds value to or increases the useful life of a government's physical assets.

Capital Projects Fund – This type of fund is used to track and account for the revenues and expenditures associated with capital improvement projects.

Contractual Services – Services rendered to Village departments by private individuals, companies or other government agencies.

Debt Service Fund – Monies that are set aside to pay the principal and interest payments on debt obligations are isolated in this type of fund.

Deficit – The excess of liabilities over assets or expenditures over revenues.

Department – A major administrative division of the Village with management responsibility for an operation or group of related operations within a functional area.

Depreciation – The process of estimating and recording lost usefulness, expired useful life, or diminishment of service from a fixed asset that cannot or will not be restored and that will be replaced.

Discretionary Expense - Cost such as that of printing, advertising, preventive maintenance, etc. that can be eliminated or postponed without disrupting operations in the short run.

Disbursement – Payment for goods or services.

Enterprise Fund – A governmental accounting fund in which services provided are funded and operated similarly to those of a private business. The fees or rates charged for the services are established to ensure that revenues are adequate to cover expenditures. This is the same as a Proprietary Fund.

Estimated Revenue – The amount of projected revenue to be collected during the fiscal year.

Expenditure – An outflow of funds paid or to be paid for an asset, good or service.

Fiduciary Fund – This type of fund is used when a governmental unit acts in a fiduciary capacity, such as a trustee or agent.

Financial Policies – General and specific guidelines by the Village Board that govern the financial practices and administration of the Village.

Fiscal Year – The time period designated by the Village signifying the beginning and ending dates for recording financial transaction. The Village of Round Lake Beach has specified May 1 to April 30 as its fiscal year.

Full-Time Equivalent (FTE) Position – A part-time position converted to the decimal equivalent of a full-time position based on 2,080 hours per year.

Fund – An accounting entity that records financial transactions for a specific set of government activities or functions.

Fund Accounting – A method of government accounting where resources are allocated to and accounted for in separate funds based on the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund Balance – The difference between fund assets and fund liabilities. Changes in fund balance are the result of differences in revenues to expenditures.

General Fund – This fund accounts for most of the financial resources of the Village, including basic operating services such as police protection, economic development, public works, finance, and general administration.

General Obligation (GO) Bonds or Debt – Bonds that finance a variety of public projects such as streets, buildings, and improvements. These bonds are backed by the full faith and credit of the issuing entity.

Generally Accepted Accounting Principals (GAAP) – Uniform minimum standards for financial reporting and accounting.

Governmental Fund – Fund type that is used to account for all or most of a government's general activities.

Grant – A contribution by a government or other organization to support a particular function.

Home-rule Municipality – Established by Article VII, section 6 of the 1970 Illinois Constitution, it grants the authority to exercise any power and perform any function pertaining to its government and affairs.

Illinois Municipal Retirement Fund (IMRF) – The retirement fund, established by the Illinois General Assembly, provides employees of local governments and school districts in Illinois with a system for the payment of retirement annuities, disability, and death benefits. Contributions based upon a percentage of wages are required of both the employer and employee.

Infrastructure – The basic physical systems of a government’s populations, including roads, utilities, water, sewer, public buildings, communication systems, etc. These are considered essential for growth and development.

Levy – The process of imposing taxes, special assessments, or service charges for support of Village activities.

Modified Accrual Accounting – A basis of accounting in which expenditures are accrued but revenues are accounted for on a cash basis. This conservative approach is the standard for most governmental funds.

Non-discretionary expenditure – Expenses that cannot be eliminated without impacting operations and/or services provided.

Operating Fund – Resources derived from recurring revenue sources used to finance ongoing operating expenditures (e.g., personnel, supplies, utilities, materials, etc.).

Operating Supplies/Expenses – Expenditures for goods and services that are required for department operations (e.g, telephone services, supplies, materials, etc.).

Projected Revenue or Projected Expense – Because the current fiscal year is not complete when the budget document is prepared, it is necessary to estimate or project the anticipate revenues and/or expenditures that will be received or expended by the end of the fiscal year.

Property Tax – Levied upon property according to the property’s assessed value multiplied by the tax rate.

Proprietary Fund – Also known as Enterprise Funds, these funds are self-supported by user charges. The operations of these funds are accounted for similarly to comparable private businesses, in that a profit or loss is shown.

Revenue – An increase in assets of financial resources that did not increase or cancel a liability, represent repayment, or represent increase to contributed capital.

Reserve – That portion of a fund’s balance that is reserved for a specific purpose.

Special Revenue Fund – This type of fund isolates the revenues received for a specific purpose. Usually, there is a statutory or legal required use for these funds.

Tax Increment Financing (TIF) – A tool to help local governments restore their most economically challenged areas, without having to tap into general funds or increase taxes, by utilizing the incremental tax revenue (difference between the property tax revenue generated before and after the TIF area was designated).

TIF Revenue Bonds – Debt that is secured only by the incremental revenue generated by the TIF District and not backed by the full faith and credit of the Village.

Utility Tax – Tax levied by the Village on customers of various utilities, such as electricity, telephone, and gas.