



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

Annual Budget
Fiscal Year 2010 – 2011
(May 1, 2010 – April 30, 2011)

**Village of Round Lake Beach
Fiscal Year 2010 – 2011
Annual Budget**

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Board of Trustees

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Sylvia Valadez

Village Clerk

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David Kilbane

Finance Director

Patrice Sutton Burger

Chief of Police

Gary Bitler

Director of Public Works

Keith Neitzke

Economic Development Director

Jon Wildenberg

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
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PRESENTED TO

Village of Round Lake Beach

Illinois

For the Fiscal Year Beginning

May 1, 2009

A handwritten signature in black ink, appearing to be 'H.R.' followed by a flourish.

President

A handwritten signature in black ink, appearing to be 'Jeffrey R. Egan'.

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 01, 2009. 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.

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Budget Message

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

The past two years have proven challenging for the Village of Round Lake Beach, unprecedented financial difficulties brought about by drastically declining revenues such as the loss of income taxes and sales taxes due to the national economy, coupled with unprecedented increases in costs such as the Police Pension and the Illinois Municipal Retirement Fund have led to the village utilizing cash reserves to cover annual operating expenditures.

The utilization of cash reserves assisted the Village in maintaining service levels in Fiscal Year 2009 - 2010. Unfortunately, the duration and severity of the recession on the local economy has necessitated the Village to reduce expenditures to match falling revenues.

I would like to recognize and thank Finance Director Patrice Sutton Burger for her invaluable assistance in the preparation of this budget document. 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 2010 - 2011 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, 2011.

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 FY2011 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 FY2011. 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.

A new section has been added in this year's budget document, providing 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 Challenge

The budget challenge for the Fiscal Year 2011 covering May 1, 2010 – April 30, 2011 was to propose a balanced budget which maintains existing services; continues with planned, necessary capital improvements; and meets all debt service obligations, all without increased taxes or fees to the residents. The Village of Round Lake Beach Fiscal Year 2011 (FY11) Budget, balanced at \$40,940,259 in revenues and expenditures, meets this goal.

The FY11 Budget is a 31.4% increase over the FY10 Budget. The total breaks down by type of fund as follows:

	FY11 Budget	FY10 Budget	% Change
<u>Operating Funds:</u>			
General	\$10,200,179	\$10,094,789	1.0%
Water & Sewer	\$8,669,727	\$4,129,127	110.0%
Metra Operations	\$28,350	\$70,000	-59.5%
Civic Center	\$109,743	\$104,898	4.6%
	<u>\$19,007,999</u>	<u>\$14,398,814</u>	32.0%
<u>Special Revenue Funds:</u>			
Police Special Revenue	\$26,697	\$34,333	-22.2%
Housing & Redevelopment	\$327,250	\$565,180	-42.1%
MFT	\$1,274,169	\$1,102,320	15.6%
TIF #2 Rebate	\$2,052,500	\$1,945,000	5.5%
Dollars for Scholars	\$6,000	\$6,030	-0.5%
	<u>\$3,686,616</u>	<u>\$3,652,863</u>	0.9%
<u>Capital Project Funds:</u>			
Water & Sewer Capital Projects	\$5,021,785	\$1,467,149	242.3%
TIF #1 Capital Projects	\$4,972,867	\$5,472,725	-9.1%
TIF #3 Capital Projects	\$340,221	\$117,500	189.5%
Bond Funded Capital Projects	\$3,071,000	\$325,000	844.9%
General Capital Improvements	\$430,171	\$872,735	-50.7%
	<u>\$13,836,044</u>	<u>\$8,255,109</u>	67.6%
<u>Debt Service Funds:</u>			
TIF #1 Debt Service	\$2,638,260	\$3,430,560	-23.1%
Bond Debt Service	\$1,771,340	\$1,418,614	24.9%
	<u>\$4,409,600</u>	<u>\$4,849,174</u>	-9.1%
Total	<u><u>\$40,940,259</u></u>	<u><u>\$31,155,960</u></u>	31.4%

Despite the difficult economy, the Village is committed to moving forward with planned and necessary capital projects. This is evidenced by the 67.6% increase in Capital Project Funds budgeted for FY11. 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 only operating fund with a significant increase is the Water & Sewer Fund because \$4.6 million of reserves is being transferred to the Water & Sewer Capital Projects Fund. Without this transfer, the Water & Sewer operating budget would have actually decreased by 1.5%.

The declining revenues in the Operating Funds that have plagued the Village starting in FY09 and worsening in FY10 are expected to continue into FY11 and even beyond, as the impact of lower assessed values impact property tax revenue and TIF increment revenue made available for capital improvement projects. Therefore, as part of the FY11 budget process, the Village conducted a very detailed and complete assessment of the delivery of service in all departments to ensure maximum efficiency. The upcoming budget includes streamlined approaches that have allowed the Village to maintain the level of service while trimming costs.

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. A decrease in staffing also resulted from the delivery of service analysis, which resulted in personnel-related savings in the two largest departments, the Police Department and Public Works. The result of the streamlined delivery of services and the operating cuts made by all departments made it possible to keep the General Fund and Water & Sewer Fund operating budgets flat compared to last year (with the exception of the transfer of reserves in the Water & Sewer Fund) to match the stagnant revenues and balance the budget.

The Special Revenue Funds are isolated because there are 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, explaining the growth in that fund. 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.

Nearly \$14 million will be invested in capital projects in FY11 as the Village moves ahead with planned capital improvements that are necessary to maintain and improve the Village's infrastructure. This is a 67.6% increase over last year's budget for capital improvements. Water and sewer-related anticipated projects included in the budget are lift station upgrades, watermain improvements on Lotus Drive, a new 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. There are considerable sidewalk improvements scheduled that will allow the Village to meet its goal of having safe sidewalks on all main thoroughfares throughout the community. Road reconstruction and watermain replacement continues in the TIF districts, with work scheduled on Wildwood, Shorewood, Kenmore, Redwing, North, Woodmoor, Hickory and Oak during FY11. Finally, the road resurfacing will continue in the Country Walk subdivision.

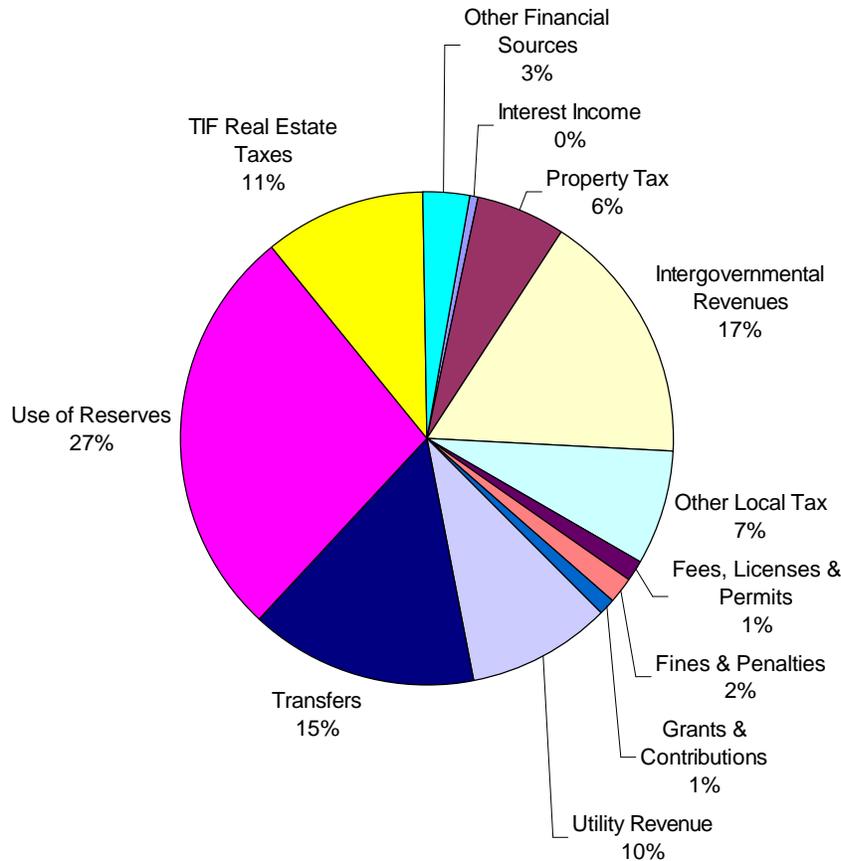
The Debt Service funds budgets also show a 9.1% decrease from last year's budget. The decline in the TIF #1 Debt Service Fund is due to the departure of a major retailer from the TIF district to another location within the Village. The decrease will not impact the Village's ability to pay debt service on the 2003 TIF Revenue Bonds, but will decrease the amount transferred to the TIF#1 Capital Projects Fund for capital improvements. This decline is offset by the debt service assumed with the Series 2009 General Obligation Bonds which had not been budgeted in the previous year.

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.

Sources of Funds

FY11 Sources of Funds – All 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 FY11 budget is **Use of Reserves** (27%). Reserves are moneys set aside in prior years for use in future years. Seventeen per cent (17%) of all revenues for FY11 are **Intergovernmental Revenues**. Intergovernmental 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 15% of the FY11 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 11% 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 10% of overall revenues.

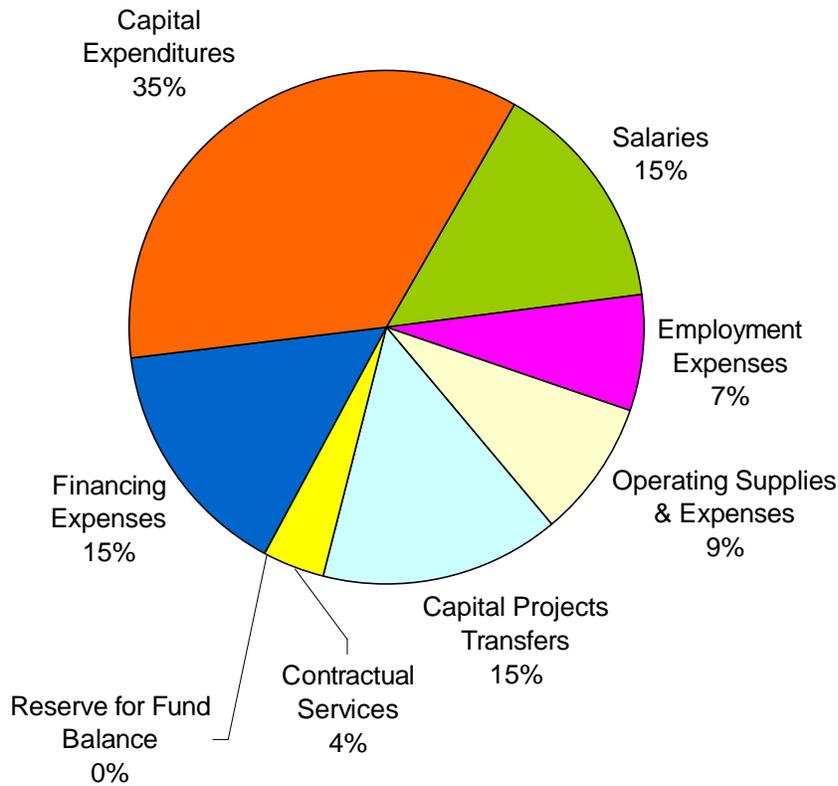
Other Local Taxes (e.g., Home Rule Sales Tax, Amusement Tax, and Utility Taxes on telecommunications, electricity and gas) make up 7% of total revenue. These are referred to

as “other” local taxes because Property Taxes are categorized separately. **Property Taxes** fund 6% of the Village’s total budget for FY11.

Other Financial Sources include interest earnings, rental income, loan proceeds, and miscellaneous income. This category funds 3% of the FY11 budget. **Fines & Penalties; Fees, Licenses, & Permits; and Contributions & Grants** all contribute 2% or less to the overall FY11 budget. Additional detail is included in the Revenue Detail section starting on page 23.

Uses of Funds

FY11 Uses of Funds - All Funds



Salaries make up 15% of the budget. The Village has an authorized strength of 89 full-time employees (excluding elected officials), and 93.2 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 7% 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. **Contractual Services** comprise 4% of the FY11 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 35% of the Village expenditures for FY11. 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 15% of the FY11 budget. **Capital Project Transfers**, 15%, and **Reserve for Fund Balance**, 0%, 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, 9% of the FY11 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 36.

The following chart provides historical perspective of the Sources and Uses of Funds for FY11 by comparing it to FY08 and FY09 actuals and the projected totals for FY10. Projected FY10 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

REVENUES	FY10			
	FY08 Actual	FY09 Actual	Projected	FY11 Budget
Property Taxes	\$ 2,065,189	\$ 2,212,106	\$ 2,337,227	\$ 2,389,899
Other Local Taxes	\$ 3,314,457	\$ 3,235,373	\$ 2,941,261	\$ 2,983,075
Intergovernmental Revenues	\$ 6,723,053	\$ 6,452,734	\$ 6,497,765	\$ 6,930,407
TIF Sales & Property Tax	\$ 4,274,262	\$ 4,880,507	\$ 4,921,499	\$ 4,330,000
Fees, Licenses & Permits	\$ 650,429	\$ 682,397	\$ 500,984	\$ 554,843
Utility Revenue	\$ 3,777,274	\$ 3,792,768	\$ 3,760,664	\$ 3,912,954
Fines & Penalties	\$ 750,723	\$ 680,916	\$ 709,451	\$ 708,301
Contributions & Grants	\$ 28,688	\$ 229,060	\$ 167,068	\$ 443,597
Use of Fund Balance Reserves	\$ -	\$ -	\$ -	\$ 11,128,322
Transfers	\$ 2,460,012	\$ 2,806,216	\$ 2,132,897	\$ 6,178,447
Other Financial Sources	\$ 1,176,287	\$ 559,026	\$ 3,800,631	\$ 1,380,414
	\$ 25,220,374	\$ 25,531,103	\$ 27,769,447	\$ 40,940,259

EXPENSES	FY10			
	FY08 Actual	FY09 Actual	Projected	FY11 Budget
Salaries	\$ 5,540,902	\$ 5,853,648	\$ 5,868,317	\$ 5,986,536
Employment Expenses	\$ 2,645,466	\$ 2,646,518	\$ 2,905,596	\$ 2,941,030
Contractual Services	\$ 1,507,925	\$ 1,640,384	\$ 1,714,612	\$ 1,556,523
Operating Supplies/Expenses	\$ 3,935,599	\$ 3,532,900	\$ 3,458,976	\$ 3,530,564
Financing Expenses	\$ 4,689,225	\$ 5,015,489	\$ 5,635,892	\$ 6,316,183
Capital Expenditures	\$ 3,697,820	\$ 3,898,136	\$ 6,582,272	\$ 14,393,025
Reserve for Fund Balance	\$ -	\$ -	\$ -	\$ 37,951
Capital Projects Transfers	\$ 2,460,012	\$ 2,806,216	\$ 2,132,896	\$ 6,178,447
	\$ 24,476,950	\$ 25,393,291	\$ 28,298,561	\$ 40,940,259

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 FY11 budget. The General Fund's projected Fund Balance as of April 30, 2011, is \$6,215,674. The projected fund balance as a percentage of General Fund revenues is about 61.6%. 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 has allowed the Village to absorb its first expected decline in fund balance in over eight years as FY10 revenues are projected to be less than expenses by about \$319,000. However, the Village has made every effort to trim costs and conservatively estimate revenues for FY11 so that it does not become routine to dip into fund balance to fund operations.

The TIF#1 Capital Projects Fund will see a decline of nearly \$3.4 million in fund balance during FY11 as three separate road/watermain replacement projects are scheduled in that area. The Bond Capital Projects Fund will be nearly zeroed out by the end of FY11, with the completion of the North Side Road Resurfacing Project funded by the Series 2009 General Obligation bond issuance. The General Capital Improvements Fund fund balance is expected to decline slightly, even though vehicle and technology replacement schedules have been delayed due to the economy. The Motor Fuel Tax Fund will see a significant decline in fund balance as that fund is also funding a significant portion of the sidewalk projects that are part of the aggressive capital project schedule for FY11. Finally, the Water & Sewer Fund will see a decline in Fund Balance of approximately \$4.6 million as the Village uses the reserves built up specifically for the purpose of replacing aging water and sewer infrastructure to fund capital improvements in FY11. The impact of FY11 budgeted revenue and expenditures on the April 30, 2010 fund balances for all of the funds can be found on the Combined Statements of Proposed Revenue/Expenditures & Fund Balances on pages 11 and 12.

Department Expenditures

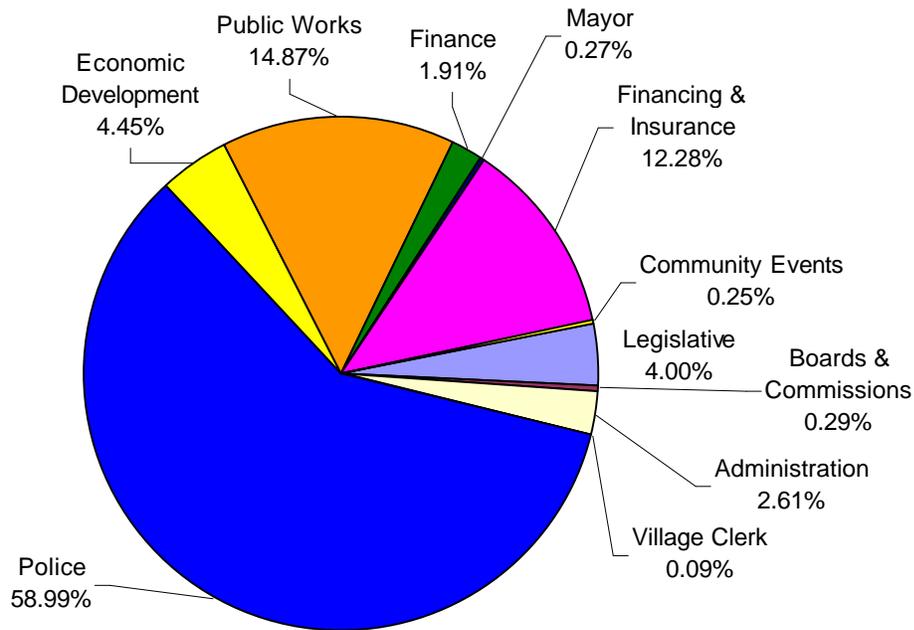
The FY11 General Fund budget is an increase of 1% over the FY10 budget. The Village again decreased non-personnel operating expenditures to offset declining General Fund revenues, most dramatically Income Tax and Natural Gas Utility Tax. Other fee, permit and license revenue related to development have 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. Staffing cuts in the Police and Public Works departments also helped to decrease overall expenditures.

The chart on page 10 shows the breakdown of General Fund expenditures by department. The Police Department is fully funded in the General Fund and makes up 58.99% 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 just under 15% of the General Fund budget, while the Economic Development Department and Legislative Branch each make up around 4% of the General Fund budget. The Administration and Finance Departments comprise approximately 2% of the budget in the General Fund.

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 12.28% 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 13. The detailed FY11 expenditures by type for each department are included in the General Fund section starting on page 36.

FY11 General Fund Expenditures by Department



Personnel

Staffing changes occurred in three departments for the FY11 budget, Police, Public Works, and Economic Development. The personnel section starting on page 14 provides information on these changes.

**COMBINED STATEMENT OF PROPOSED REVENUE/EXPENDITURE & CHANGES IN FUND BALANCES
Year Ended April 30, 2011**

	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	\$3,794,974	\$2,050,000	\$2,000,000			\$125,000		\$125,000
Other Local Taxes	\$5,349,740					\$161,000		
Intergovernmental Revenues	\$149,000		\$598,260			\$50,000		
Sales & Charges for Service	\$309,865						\$62,878	
Fines & Forfeitures	\$496,000							
Contributions & Grants	\$0					\$0	\$46,865	
Miscellaneous	\$227,850	\$2,500	\$40,000	\$10,000	\$4,000	\$68,353		\$250
Total Revenues	\$10,327,429	\$2,052,500	\$2,638,260	\$10,000	\$4,000	\$404,353	\$109,743	\$125,250
Expenditures								
Current								
General Government	\$1,364,996					\$29,000	\$109,743	
Police	\$6,017,024					\$87,585		
Public Works	\$1,516,868					\$304,626		
Economic Development	\$781,540					\$8,960		
Debt Service								
Principal	\$795,261		\$945,000	\$0				
Interest	\$51,740		\$115,785	\$0				
Fiscal agent fees			\$3,000	\$12,500				
Capital Outlay				\$4,960,367	\$3,055,480			\$340,221
Total Expenditures	\$10,527,429	\$0	\$1,063,785	\$4,972,867	\$3,055,480	\$430,171	\$109,743	\$340,221
Excess (deficiency) of revenues over expenditures	(\$200,000)	\$2,052,500	\$1,574,475	(\$4,962,867)	(\$3,051,480)	(\$25,818)	\$0	(\$214,971)
Other Financing Sources (uses)								
Transfers in/Proceeds from Sale	\$200,000			\$1,574,475				
Transfers out	\$0	\$2,052,500	\$1,574,475					
Issuance of debt	\$0				\$760,480			
Total Financing Sources (Uses)	\$200,000	\$2,052,500	\$1,574,475	\$1,574,475	\$760,480	\$0	\$0	\$0
Net Change in Fund Balance	\$0	\$0	\$0	(\$3,388,392)	(\$2,291,000)	(\$25,818)	\$0	(\$214,971)
Fund Balance - May 1, 2010 (projected)	\$6,027,934	\$841	\$2,034,327	\$4,234,046	\$2,295,873	\$860,159	\$0	\$215,043
Fund Balance - April 30, 2011 (projected)	\$6,027,934	\$841	\$2,034,327	\$845,654	\$4,873	\$834,341	\$0	\$72

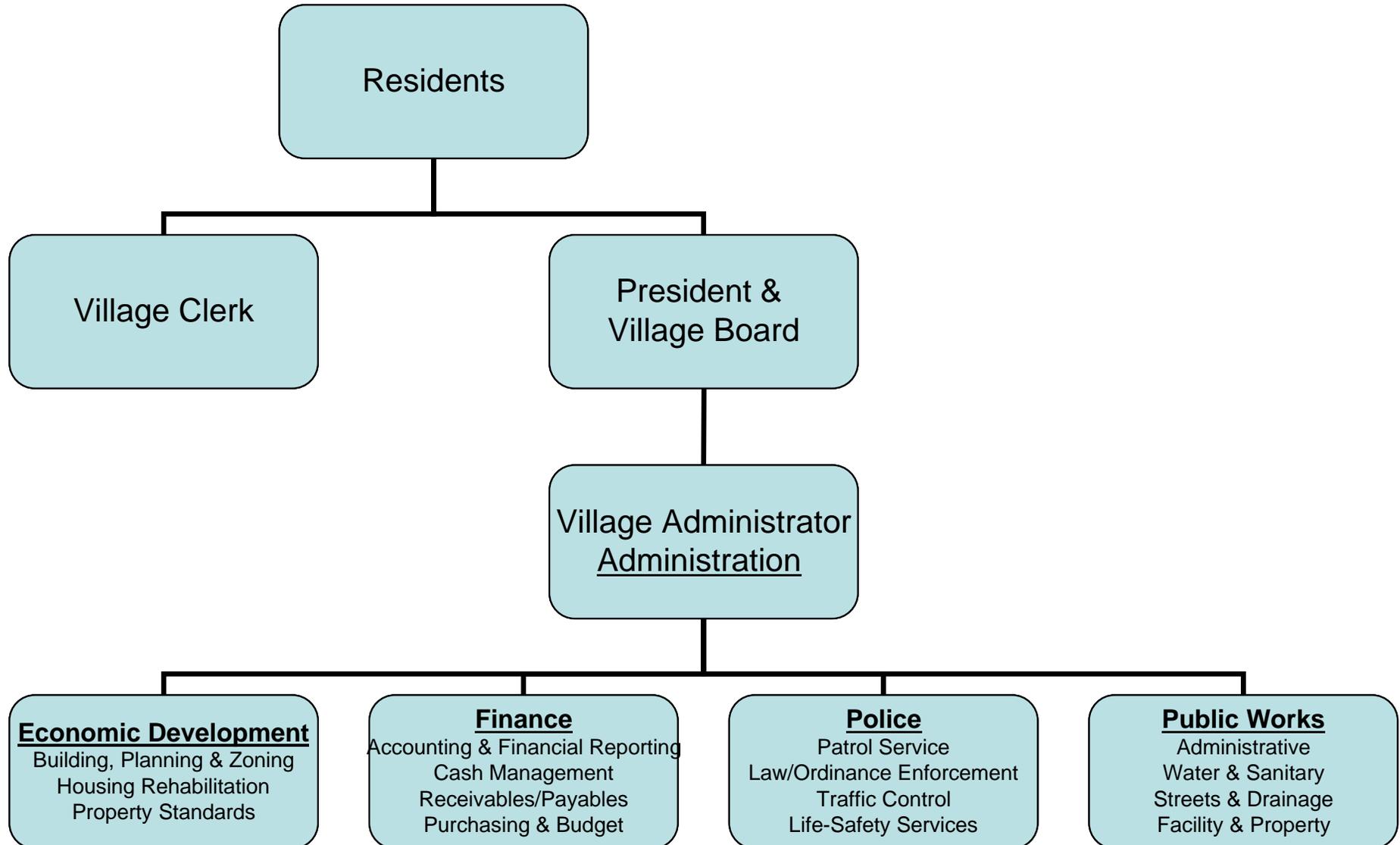
COMBINED STATEMENT OF PROPOSED REVENUE/EXPENDITURE & CHANGES IN FUND BALANCES Year Ended April 30, 2011

	SPECIAL REVENUE FUNDS					PROPRIETARY FUND	TOTAL -
	Police Special Revenue	Metra Operations	Motor Fuel Tax	GO Debt Service	Dollars for Scholars	Water & Sewer (Operations + Capital Projects)	ALL FUNDS
Revenues							
Property Taxes							\$8,094,974
Other Local Taxes				\$1,714,407			\$7,225,147
Intergovernmental Revenues			\$665,000	\$52,449			\$1,514,709
Sales & Charges for Service		\$28,100				\$3,912,954	\$4,313,797
Fines & Forfeitures	\$4,000					\$205,801	\$705,801
Contributions & Grants	\$5,000				\$5,970	\$318,313	\$376,148
Miscellaneous	\$17,697	\$250	\$5,000	\$4,484	\$30	\$46,500	\$426,914
Total Revenues	\$26,697	\$28,350	\$670,000	\$1,771,340	\$6,000	\$4,483,568	\$22,657,490
Expenditures							
Current							
General Government		\$28,350			\$6,000	\$2,651,443	\$4,189,532
Police	\$26,697						\$6,131,306
Public Works			\$976,762			\$1,414,311	\$4,212,567
Economic Development							\$790,500
Debt Service							
Principal				\$1,015,000		\$116,149	\$2,871,410
Interest				\$753,340		\$53,501	\$974,366
Fiscal agent fees				\$3,000			\$18,500
Capital Outlay						\$4,852,135	\$13,208,203
Total Expenditures	\$26,697	\$28,350	\$976,762	\$1,771,340	\$6,000	\$9,087,539	\$32,396,384
Excess (deficiency) of revenues over expenditures	\$0	\$0	(\$306,762)	\$0	\$0	(\$4,603,971)	(\$9,738,894)
Other Financing Sources (uses)							
Transfers in						\$4,603,971	\$6,378,446
Transfers out			\$297,407			\$4,603,971	\$8,528,353
Issuance of debt							\$760,480
Total Financing Sources (Uses)	\$0	\$0	(\$297,407)	\$0	\$0	\$0	(\$2,149,907)
Net Change in Fund Balance	\$0	\$0	(\$604,169)	\$0	\$0	(\$4,603,971)	(\$11,888,801)
Fund Balance - May 1, 2010 (projected)	\$83,882	\$5,722	\$795,122	\$2,571,118	\$5,734	\$14,413,111	\$33,542,912
Fund Balance - April 30, 2011 (projected)	\$83,882	\$5,722	\$190,953	\$2,571,118	\$5,734	\$9,809,140	\$21,654,111

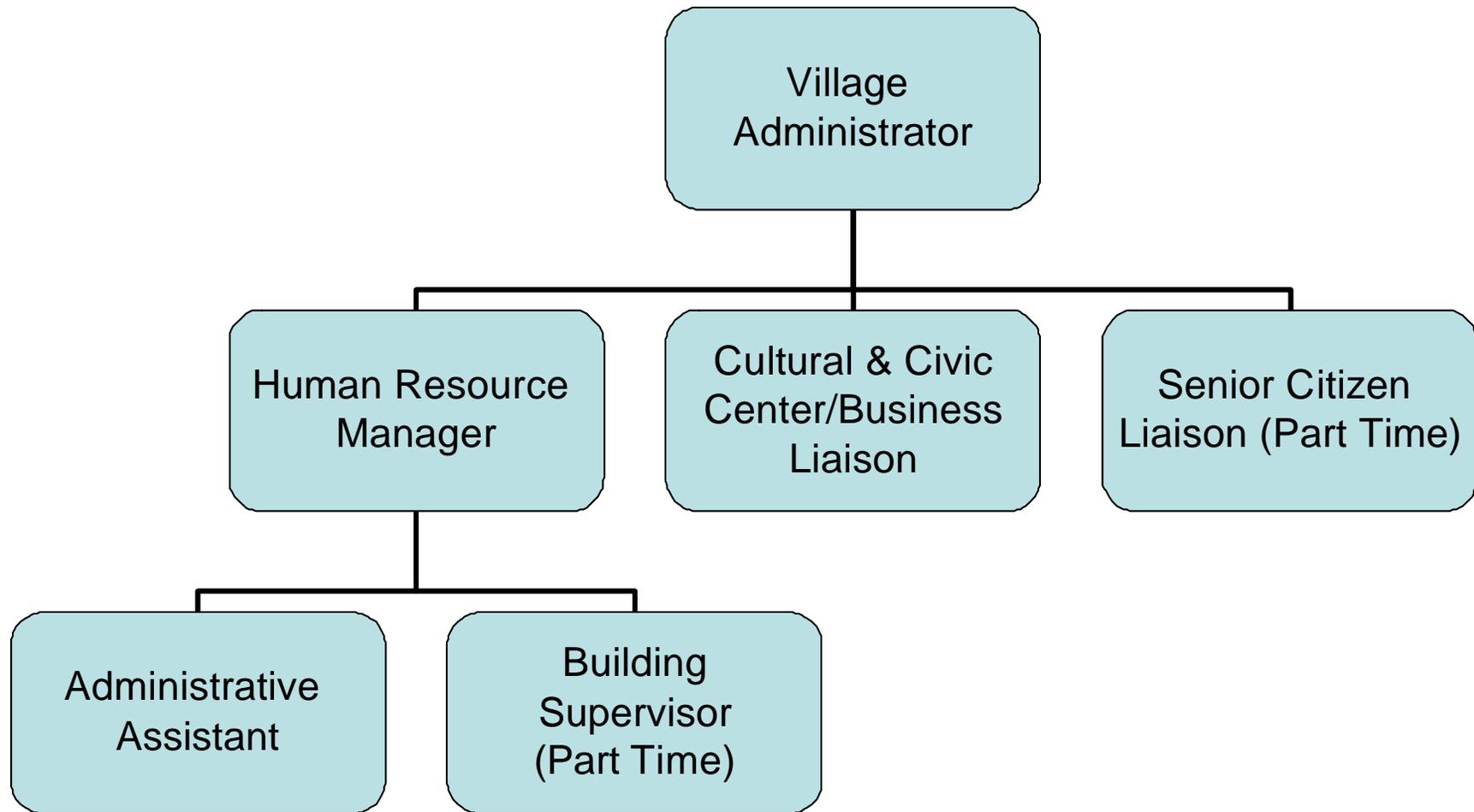
Summary of Operating Expenditures By Department								
	Salaries	Employment Expenses	Operating Supplies/ Expenses	Contractual Services	Transfers	Total FY11 Budget	Total FY10 Budget	% Change FY11 > FY10
General Fund								
Legislative	\$28,800	\$36,838	\$6,975	\$335,800	\$0	\$408,413	\$492,621	-17.09%
Boards & Commissions	\$3,720	\$1,907	\$1,815	\$21,835	\$0	\$29,277	\$40,672	-28.02%
Administration	\$171,906	\$69,010	\$16,310	\$8,675	\$0	\$265,901	\$257,531	3.25%
Village Clerk	\$2,000	\$2,174	\$300	\$4,700	\$0	\$9,174	\$10,993	-16.55%
Police	\$3,616,562	\$1,672,202	\$237,419	\$490,841	\$0	\$6,017,024	\$6,307,726	-4.61%
Economic Development	\$295,153	\$101,916	\$18,241	\$38,980	\$0	\$454,290	\$469,088	-3.15%
Public Works	\$659,037	\$250,513	\$337,960	\$269,358	\$0	\$1,516,868	\$1,531,419	-0.95%
Finance	\$79,522	\$24,032	\$16,692	\$74,741	\$0	\$194,987	\$186,840	4.36%
Mayor	\$20,000	\$6,789	\$250	\$0	\$0	\$27,039	\$27,892	-3.06%
Financing & Insurance	\$0	\$269,205	\$0	\$107,740	\$875,261	\$1,252,206	\$740,004	69.22%
Community Events	\$0	\$0	\$25,000	\$0	\$0	\$25,000	\$30,000	-16.67%
	<u>\$4,876,700</u>	<u>\$2,434,586</u>	<u>\$660,962</u>	<u>\$1,352,670</u>	<u>\$875,261</u>	<u>\$10,200,179</u>	<u>\$10,094,786</u>	<u>1.04%</u>
Water & Sewer Fund								
Administration	\$114,624	\$48,439	\$1,990	\$4,225	\$0	\$169,278	\$165,107	2.53%
Public Works	\$665,165	\$279,374	\$329,299	\$140,473	\$0	\$1,414,311	\$1,364,699	3.64%
Finance	\$257,668	\$81,709	\$49,216	\$42,450	\$0	\$431,043	\$409,410	5.28%
Financing & Insurance	\$0	\$207,300	\$0	\$1,803,371	\$4,644,423	\$6,655,094	\$2,189,910	203.90%
	<u>\$1,037,457</u>	<u>\$616,822</u>	<u>\$380,506</u>	<u>\$1,990,519</u>	<u>\$4,644,423</u>	<u>\$8,669,726</u>	<u>\$4,129,126</u>	<u>109.97%</u>
TOTAL OPERATING FUNDS	<u>\$5,914,157</u>	<u>\$3,051,408</u>	<u>\$1,041,468</u>	<u>\$3,343,189</u>	<u>\$5,519,684</u>	<u>\$18,869,905</u>	<u>\$14,223,912</u>	<u>32.66%</u>

PERSONNEL

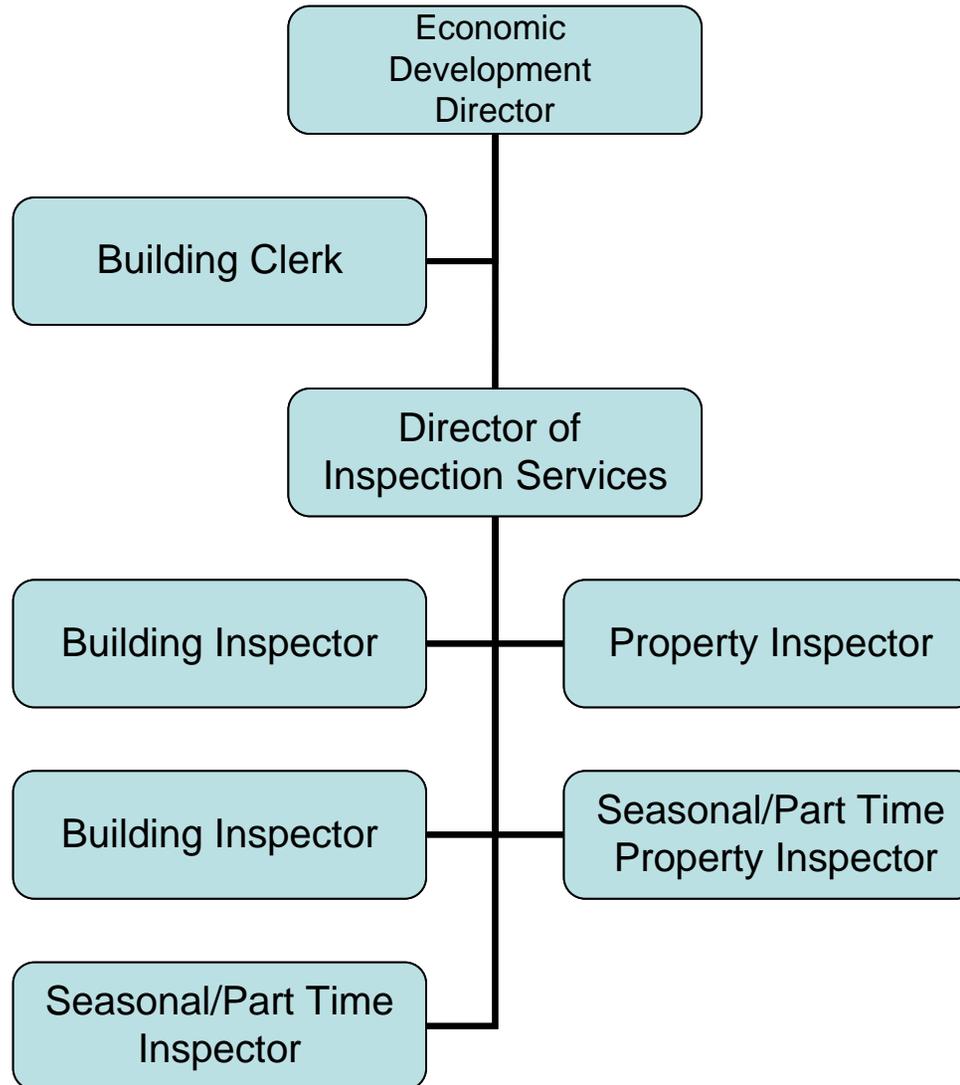
VILLAGE OF ROUND LAKE BEACH



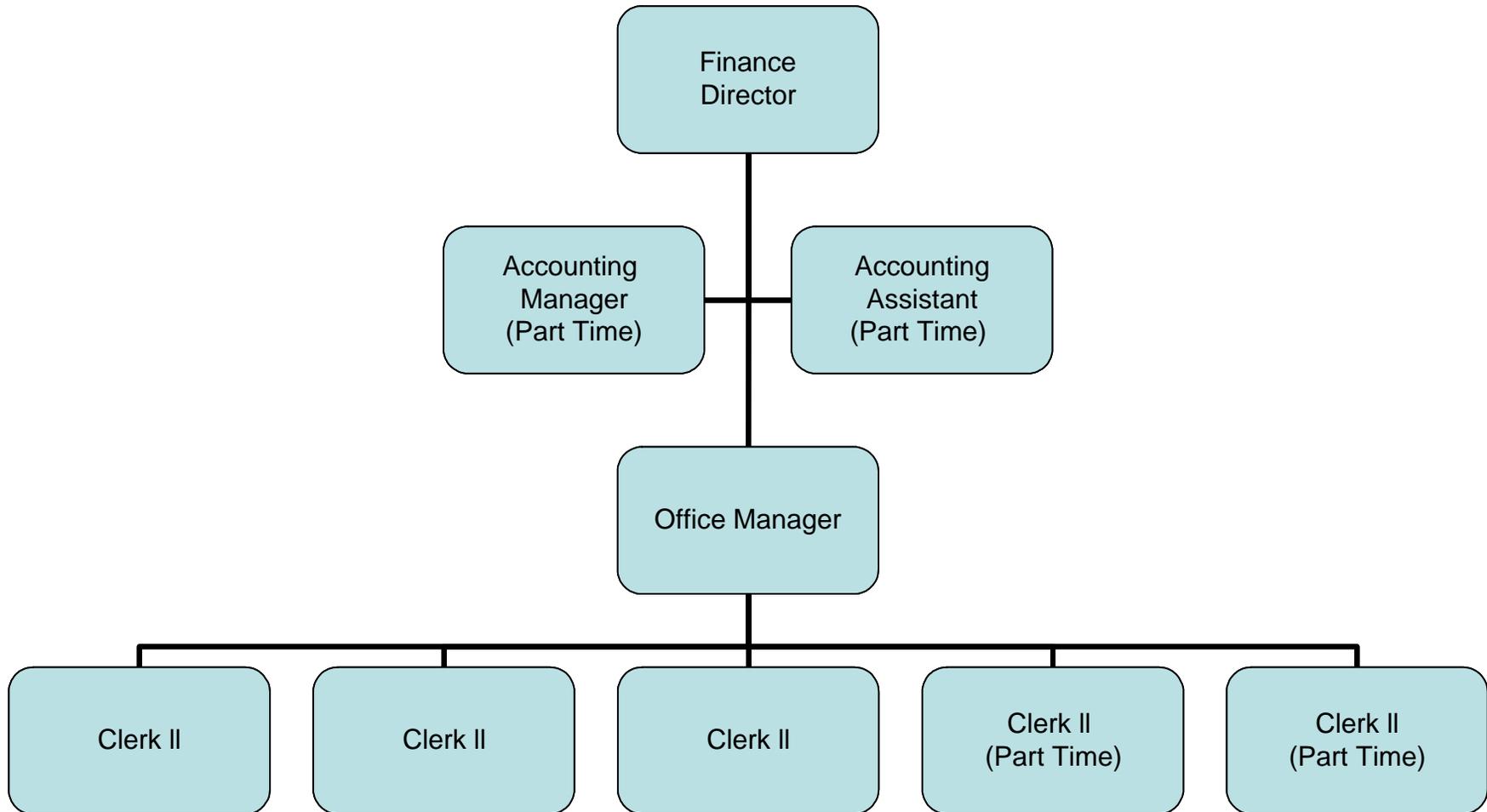
Administration

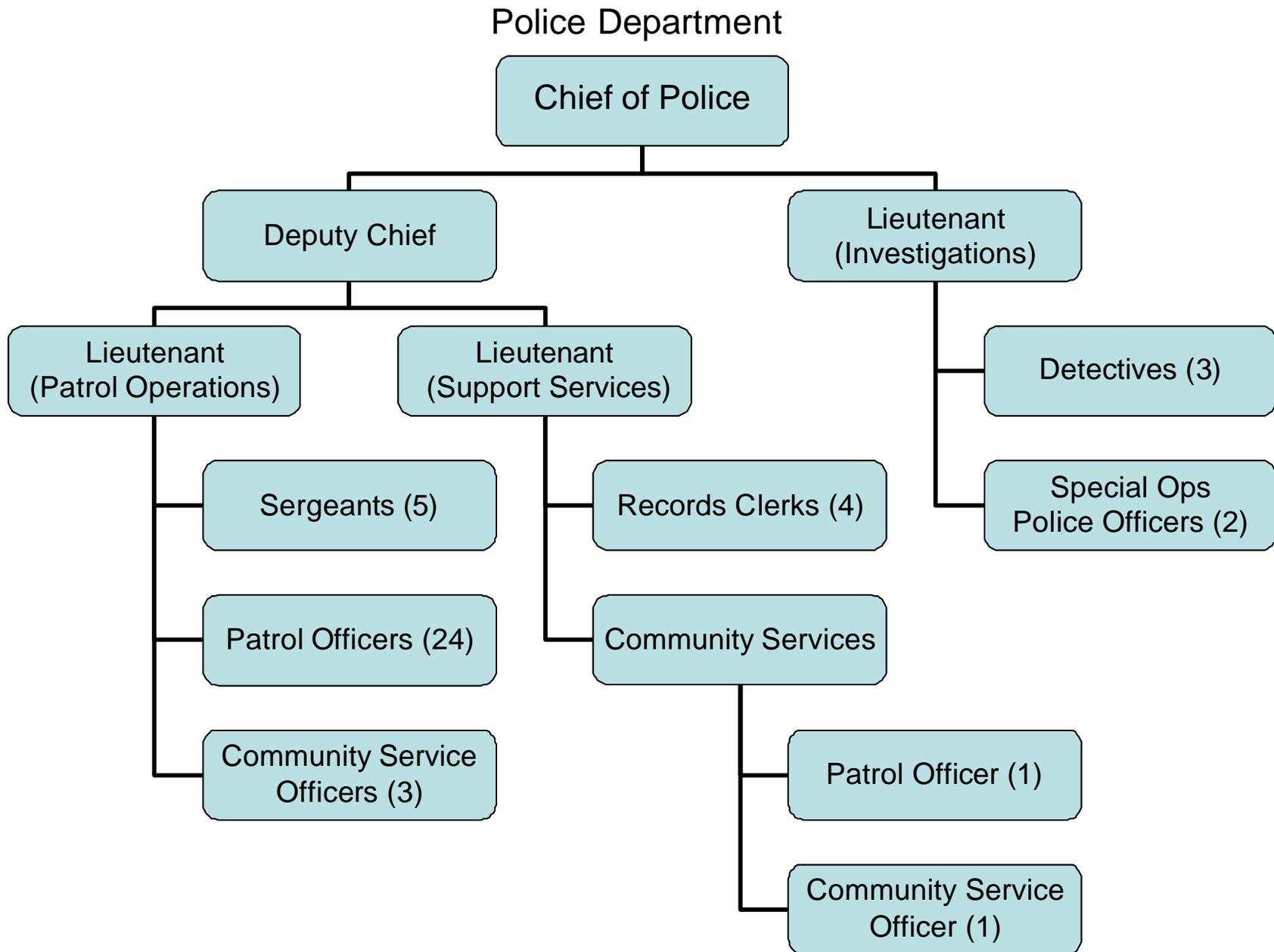


Economic Development Department

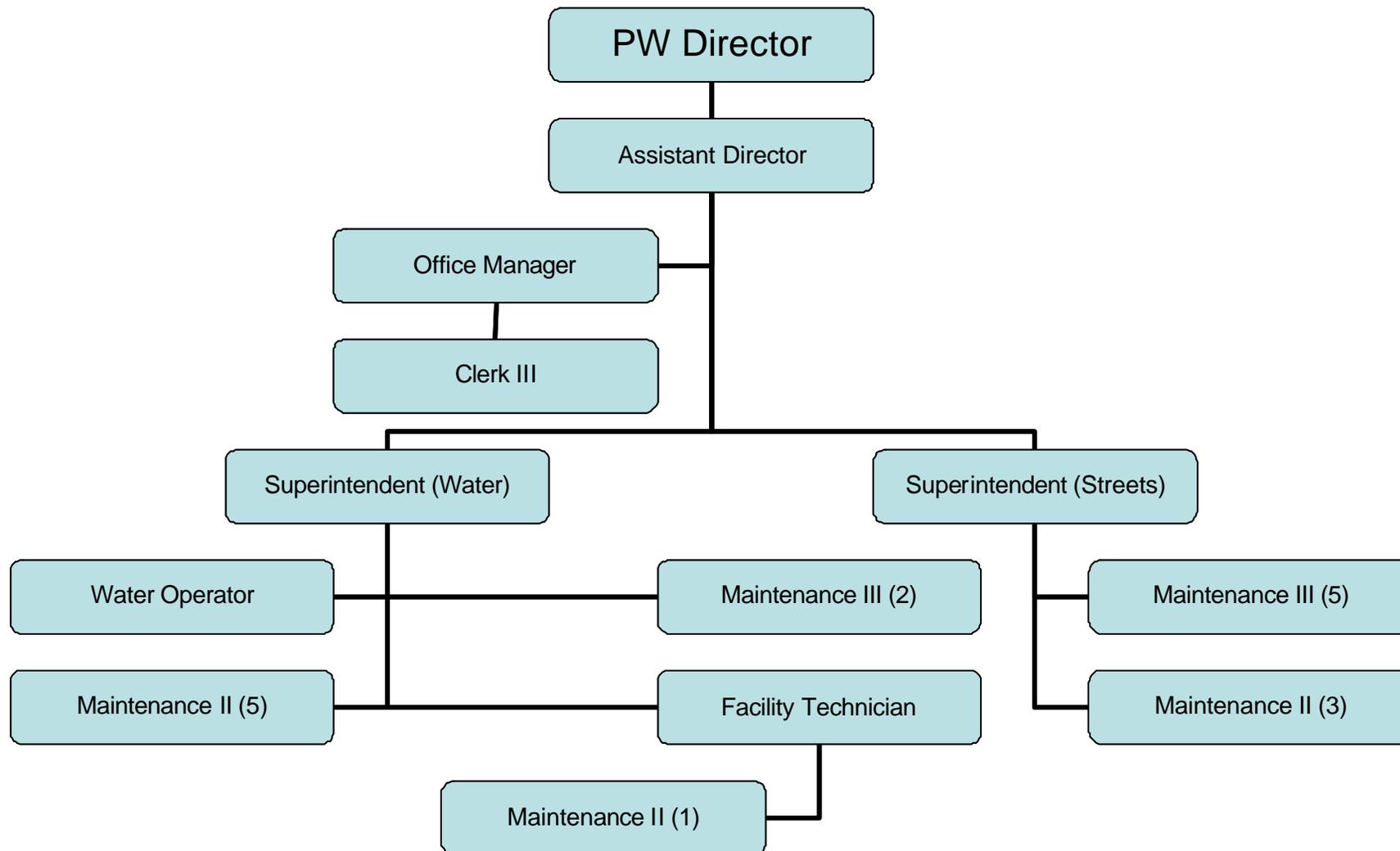


Finance Department





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
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**

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

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.

Nearly 75% of the Village’s revenues come from eight sources of revenue. These revenues and their relationship to the total revenue amount of \$40,940,259 are shown and described in detail below:

Revenue Source	FY11 Budget	% of Total Revenue
Use of Reserves/Fund Balance	\$11,128,322	27.18%
TIF Real Estate Taxes	\$4,300,000	10.50%
Utility Revenue	\$3,912,954	9.56%
Sales Tax	\$3,750,000	9.16%
Property Tax	\$2,389,899	5.84%
State Income Tax	\$1,855,000	4.53%
Utility Taxes	\$1,613,000	3.94%
Home Rule Sales Tax	\$1,050,000	2.56%
	<u>\$29,999,175</u>	<u>73.28%</u>

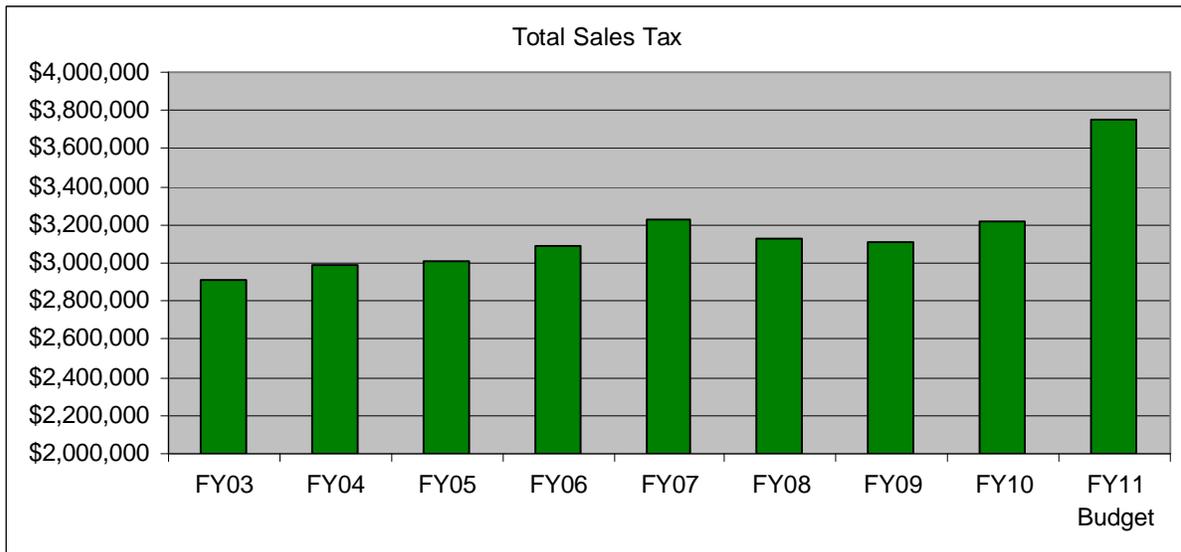
Use of Reserves/Fund Balance make up over one quarter of the Village’s sources of revenue in the FY11 budget. This is due to the heavy emphasis on capital projects in FY11, infrastructure improvements that have been scheduled with monies set aside specifically for this purpose. This total of over \$11 million is primarily funded in the TIF#1 & 2 Capital Project Fund, the Water & Sewer Fund, and the Bond Funded Capital Projects Fund, with smaller amounts in the Motor Fuel Tax Fund, TIF#3 Fund, and the General Capital Improvements Fund.

Tax Increment Finance (TIF) Real Estate Taxes are budgeted to generate 10.50% of the total revenue for the Village in FY11. 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 (\$2,050,000 of the total for FY11) is declared “surplus revenue” and is reimbursed back to the Lake County Collector for distribution to all the taxing districts within the TIF district.

Utility Revenue constitutes the next largest source of revenue for the FY11 budget, with an estimate of \$3,912,954. This includes not only water sales to Village residents, but 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 will increase mid-way through FY11, from \$3.02 per 1,000 gallons of usage to \$3.17 per 1,000 gallons of usage,

starting with usage after September 1, 2010. In addition, a Sewer Fee will once again be instituted of \$4 per month starting September 1, 2010. The Village's Board regularly reviews the water rate to ensure that the charges are sufficiently covering current cost of operations as well as necessary current and future infrastructure maintenance and improvements.

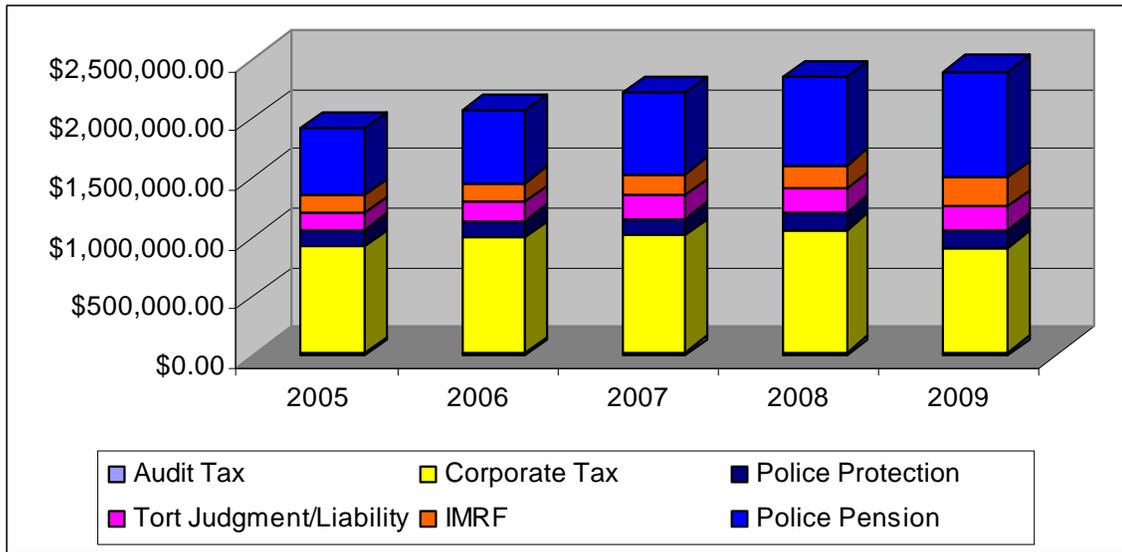
Sales Tax is projected to generate approximately 9.16% of the overall Village revenue in FY11. The Village receives 1% as the municipal share of the 6.25% statewide rate on general merchandise and the entire 1% collected on qualifying food, drugs, and medical appliances for taxable sales made within 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 FY10 is estimated, since the revenue has not yet been received. The reason for the significant increase in FY11 is because one of the Village's largest retailers, Wal-Mart, has moved out of the TIF and into the general distribution of monthly sales tax distributions. A significant portion of these additional projected revenues has been set aside to fund a potential bond issuance for future capital improvements.



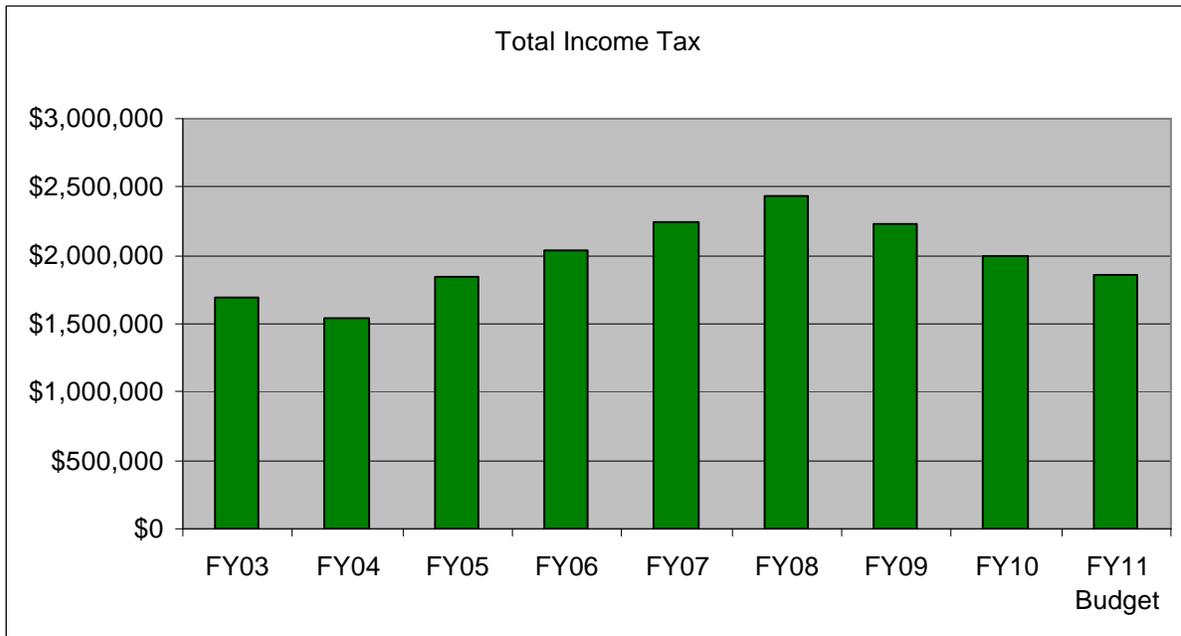
Real Estate or Property Taxes make up just over 5.84% of the total revenue for FY11, nearly \$2.4 million. This revenue is a tax assessed on all properties within the Village boundaries. It is one of the most stable and predictable revenues available to the Village. The Village Board recognized the financial pressure its residents are facing and once again chose not to raise the 2009 tax levy which is distributed in 2010 for the FY11 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 2005. However, the portion going toward pension contribution obligations (IMRF and Police Pension) is getting larger.

**TAX AMOUNT LEVIED
TAX YEAR 2005 - 2009**



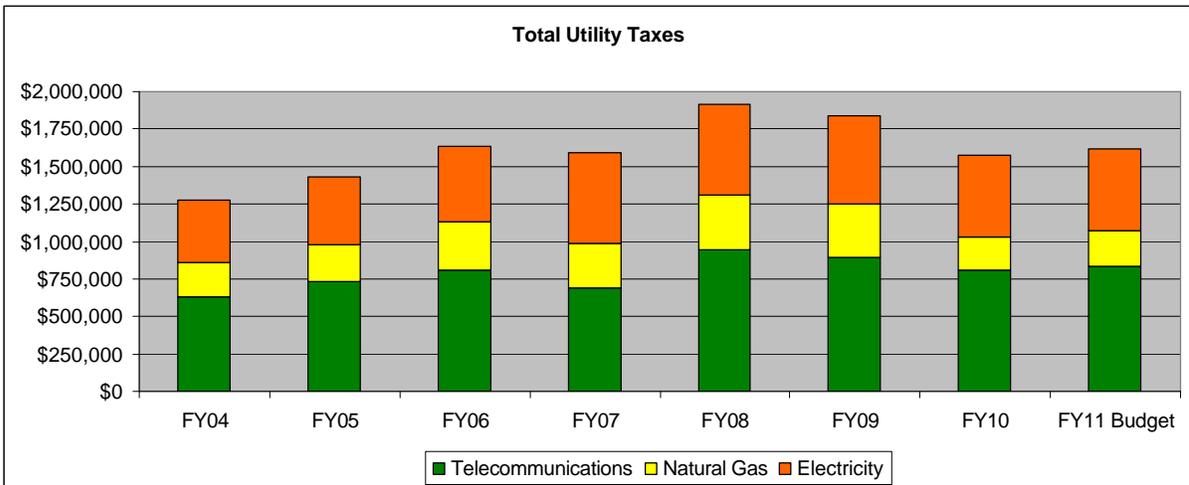
The **Illinois Income Tax** rate is 3% for individuals, trusts, and estates and 4.8% for corporations. One-tenth of the net collections (gross collections minus refunds) is distributed to municipal and county governments in proportion to their population as compared to the total state population. This source provides 4.53% or \$1.855 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 FY10 total shown in the above chart includes projections for the last three months of the fiscal year, because the revenue is not yet received.

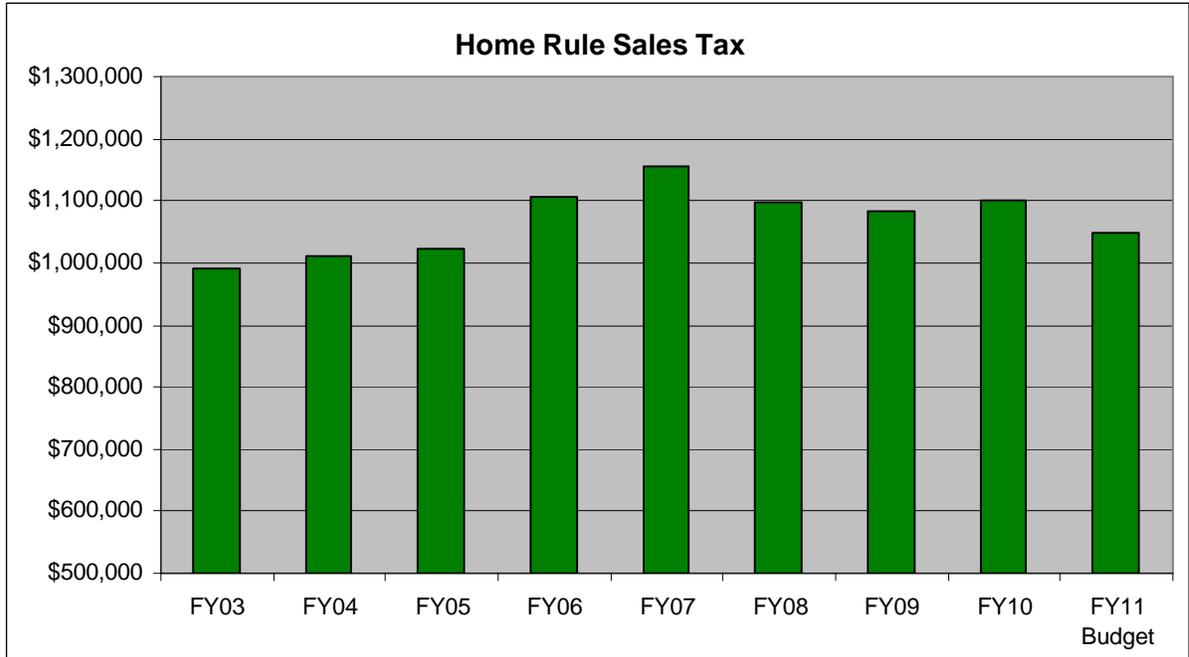
Utility Taxes are established by the Village and collected by the utility companies for gas and electricity. The collected amounts are then passed on to the Village on a monthly basis. These taxes are considered “use taxes” since the amount assessed is greater for those who use more of the utilities. 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 3.94% of the total amount of revenue in FY11.

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 FY10 (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 million in revenue for FY11. 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. Those ordinance violations that previously had a fine of \$25 were increased to \$40. The Village portion of the water rate will increase by \$0.15 per 1,000 gallons and a sewer charge of \$4 per month will be implemented on September 1, 2010. All other fees, fines, and charges stayed the same.

COMPARISON OF REVENUES

Account Description	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Projected	FY11 Budget
GENERAL FUND					
Property Taxes					
CORPORATE FUND TAX	\$910,755	\$988,187	\$983,425	\$1,030,331	\$880,000
LIABILITY INSURANCE TAX	\$139,674	\$150,875	\$187,845	\$187,012	\$202,300
POLICE PROTECTION TAX	\$132,021	\$142,667	\$143,646	\$149,610	\$150,000
AUDITING TAX	\$17,220	\$18,684	\$33,149	\$35,064	\$32,000
IMRF TAX	\$151,154	\$163,255	\$179,005	\$196,510	\$235,000
RE TX - POLICE PENSION	\$562,525	\$601,521	\$685,036	\$738,700	\$890,599
Sub-Total	<u>\$1,913,349</u>	<u>\$2,065,189</u>	<u>\$2,212,106</u>	<u>\$2,337,227</u>	<u>\$2,389,899</u>
Other Local Taxes					
HOME RULE SALES TAX	\$132,800	\$141,431	\$128,504	\$145,516	\$190,000
UTILITY TAX - TELEPHONE	\$542,977	\$668,994	\$544,442	\$430,476	\$438,000
UTILITY TAX - GAS	\$194,392	\$231,990	\$228,462	\$83,735	\$97,000
UTILITY TAX - ELECTRIC	\$404,484	\$418,595	\$392,129	\$360,752	\$360,000
CHARITABLE GAMES TAX/LICENSE	\$0	\$0	\$0	\$410	\$0
AMUSEMENT TAX	\$269,842	\$301,427	\$316,777	\$319,818	\$320,075
Sub-Total	<u>\$1,544,495</u>	<u>\$1,762,437</u>	<u>\$1,610,314</u>	<u>\$1,340,707</u>	<u>\$1,405,075</u>
Intergovernmental Revenues					
ROAD & BRIDGE TAX	\$31,768	\$32,099	\$34,171	\$33,911	\$34,000
STATE - LOCAL SALES TAX	\$2,273,037	\$2,045,408	\$2,086,832	\$2,224,745	\$3,131,740
STATE - REPLACEMENT TAX	\$17,460	\$19,440	\$17,144	\$13,158	\$14,000
STATE - INCOME TAX	\$2,240,728	\$2,431,015	\$2,234,944	\$1,991,143	\$1,855,000
USE TAX	\$334,721	\$362,570	\$367,041	\$304,449	\$315,000
POLICE TRAINING REIMB	\$8,836	\$7,992	\$13,569	\$5,500	\$0
Sub-Total	<u>\$4,906,550</u>	<u>\$4,898,524</u>	<u>\$4,753,701</u>	<u>\$4,572,906</u>	<u>\$5,349,740</u>
Sales & Charges for Services					
OCCUPANCY PERMITS	\$36,630	\$23,450	\$17,010	\$18,000	\$18,000
BUILDING PERMITS	\$186,676	\$36,922	\$221,699	\$100,000	\$100,000
BUSINESS CERTIFICATE FEE	\$68,011	\$62,596	\$64,266	\$42,000	\$40,000
LIQUOR LICENSES	\$27,065	\$24,034	\$24,325	\$30,000	\$30,000
CABLE TV - FRANCHISE FEES	\$135,366	\$145,486	\$145,485	\$145,000	\$145,000
ANNEX/ZBA/PLAN FEES	\$5,300	\$5,200	\$5,700	\$2,500	\$4,000
RENTAL CERTIFICATION FEES	\$40,710	\$44,095	\$45,950	\$44,000	\$44,000
BILLBOARD LICENSES	\$300	\$0	\$1,200	\$1,350	\$1,000
POLICE PHOTOCOPY SERVICE	\$4,536	\$4,720	\$4,828	\$4,000	\$4,750
INDUSTRIAL REVENUE BONDS	\$2,562	\$0	\$13,579	\$0	\$0
NICOR - FRANCHISE GAS FEE	\$46,050	\$47,960	\$50,166	\$47,245	\$40,000
BEACH PASSES	\$50	\$440	\$265	\$200	\$200
FOI PRINTING SVC	\$33	\$66	\$686	\$115	\$75
BACKGROUND CHECK FEE	\$0	\$100	\$0	\$0	\$0
POLICE TOWING CHARGE	\$53,250	\$62,945	\$63,450	\$62,000	\$60,000
POLICE OT SECURITY SVC	\$7,854	\$6,297	\$6,270	\$0	\$0
ABANDONED PROPERTY	\$3,753	\$748	\$0	\$0	\$0
CONTRACTOR AP FEE	\$8,275	\$7,500	\$7,900	\$5,000	\$7,000
YARD WASTE STICKER SALES	-\$119	\$1,253	\$0	\$0	\$0
RECYCLING REV - SWALCO	\$12,874	\$25,046	\$21,708	\$4,000	\$4,840
COMMUNITY EVENT REVENUE	\$0	\$25,982	\$25,068	\$24,000	\$20,000
Sub-Total	<u>\$639,176</u>	<u>\$524,840</u>	<u>\$719,555</u>	<u>\$529,410</u>	<u>\$518,865</u>

Account Description	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Projected	FY11 Budget
GENERAL FUND					
Fines					
POLICE FINES	\$463,551	\$457,597	\$348,520	\$370,000	\$389,000
BUILDING FINES	\$12,908	\$12,181	\$4,763	\$1,500	\$1,500
LIEN REVENUE	\$50,427	\$20,654	\$31,809	\$40,000	\$32,000
FALSE ALARM REVENUE	\$10,650	\$10,650	\$17,200	\$12,000	\$12,000
LIQUOR COMM ENFORCEMENT	\$0	\$7,750	\$3,750	\$0	\$1,500
Sub-Total	<u>\$537,536</u>	<u>\$508,832</u>	<u>\$406,042</u>	<u>\$423,500</u>	<u>\$436,000</u>
Contributions & Grants					
GRANT REVENUE	\$8,996	\$1,263	\$1,566	\$2,422	\$0
CONTRIBUTIONS	\$3,550	\$25,000	\$10,000	\$0	\$0
Sub-Total	<u>\$12,546</u>	<u>\$26,263</u>	<u>\$11,566</u>	<u>\$2,422</u>	<u>\$0</u>
Other Financial Sources					
INTEREST INCOME	\$224,918	\$187,373	\$80,577	\$46,264	\$58,000
RENTAL INCOME	\$22,750	\$21,000	\$21,000	\$26,000	\$35,400
MISCELLANEOUS INCOME	-\$10,471	\$1,479	\$4,086	\$6,000	\$2,200
PROPERTY SALE	\$2,186	\$0	\$11,093	\$0	\$0
CLAIMS REVENUE-INSURANCE	\$50,481	\$23,223	\$8,888	\$5,000	\$5,000
Sub-Total	<u>\$289,864</u>	<u>\$233,075</u>	<u>\$125,644</u>	<u>\$83,264</u>	<u>\$100,600</u>
TOTAL	<u>\$9,843,516</u>	<u>\$10,019,160</u>	<u>\$9,838,928</u>	<u>\$9,289,436</u>	<u>\$10,200,179</u>
POLICE SPECIAL REVENUES FUND					
INTEREST INCOME	\$1,608	\$2,559	\$887	\$107	\$197
HITA - DRUG CONTROL REV	\$0	\$0	\$1,194	\$0	\$0
STATE SEIZURE REVENUE	\$6,103	\$1,563	\$6,130	\$2,500	\$2,500
DUI/740 CONTROL REVENUE	\$7,323	\$7,743	\$6,600	\$4,300	\$4,000
K-9 GRANT REVENUE	\$7,000	\$7,000	\$5,000	\$5,000	\$5,000
MOBILE EYE REVENUE	\$0	\$0	\$17,418	\$15,000	\$15,000
EXPLORERS PROGRAM REVENUE	\$0	\$0	\$0	\$4,923	\$0
TOTAL	<u>\$22,034</u>	<u>\$18,865</u>	<u>\$37,229</u>	<u>\$31,830</u>	<u>\$26,697</u>
HOUSING & REDEVELOPMENT FUND					
INTEREST INCOME	\$0	\$724	\$5	\$0	\$0
RENTAL INCOME	\$8,712	\$0	\$0	\$10,380	\$10,380
SALE OF PROPERTY	\$0	\$0	\$0	\$0	\$200,000
GAIN/(LOSS) - PROPERTY SALE	\$8,683	-\$6,184	-\$29,726	\$0	\$0
LOAN PROCEEDS	\$0	\$0	\$0	\$0	\$116,870
GRANT - STATE/LOCAL GOVT	\$0	\$0	\$0	\$30,000	\$0
TOTAL	<u>\$17,395</u>	<u>-\$5,460</u>	<u>-\$29,721</u>	<u>\$40,380</u>	<u>\$327,250</u>
WATER & SEWER OPERATIONS FUND					
INTEREST INCOME	\$235,466	\$247,395	\$85,343	\$20,000	\$39,000
LIEN REVENUE - OTHER	\$7,621	\$0	\$0	\$0	\$0
WATER CHARGES	\$2,960,924	\$2,932,853	\$2,882,217	\$2,983,455	\$2,952,856
SEWER FEE	\$0	\$0	\$0	\$0	\$198,000
PENALTIES	\$170,980	\$169,640	\$197,500	\$217,151	\$205,801
CUSTOMER FEES	\$490,923	\$505,130	\$505,885	\$505,500	\$505,050
WATER SALES TO R.L. HEIGHTS	\$130,393	\$156,090	\$219,004	\$175,289	\$164,848
WATER SEWER INSPECT FEES	\$0	\$1,800	\$600	\$0	\$0
WATER METER SALES	\$236	\$2,260	\$1,430	\$220	\$200
MISCELLANEOUS INCOME	\$3,643	\$1,960	\$1,040	\$0	\$0
USE OF RESERVED BALANCES	\$0	\$0	\$0	\$0	\$4,603,972
TOTAL	<u>\$4,000,186</u>	<u>\$4,017,128</u>	<u>\$3,893,019</u>	<u>\$3,901,615</u>	<u>\$8,669,727</u>

Account Description	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Projected	FY11 Budget
WATER & SEWER CAPITAL FUND					
INTEREST INCOME	\$30,611	\$21,382	\$6,643	\$5,500	\$7,500
TAP IN FEE - Shorewood Area	\$10,720	\$4,710	\$18,500	\$1,200	\$12,000
TAP IN FEE REVENUE	\$78,816	\$281,683	\$165,132	\$95,000	\$80,000
GRANT REVENUE	\$0	\$0	\$85,000	\$85,000	\$318,313
CAP REPAIR/REPLACE TRANSFER	\$0	\$0	\$0	\$0	\$4,603,972
USE OF RESERVED BALANCES	\$0	\$0	\$0	\$0	\$0
TOTAL	\$120,147	\$307,775	\$275,275	\$186,700	\$5,021,785
METRA STATION FUND					
INTEREST INCOME	\$1,425	\$1,299	\$685	\$65	\$250
DAILY PARKING COLLECTIONS	\$29,072	\$30,683	\$36,168	\$30,425	\$28,100
TOTAL	\$30,497	\$31,982	\$36,853	\$30,490	\$28,350
MOTOR FUEL TAX FUND					
INTEREST INCOME	\$67,078	\$46,825	\$15,369	\$2,088	\$5,000
STATE - MFT ALLOTMENT	\$776,731	\$746,926	\$699,325	\$657,150	\$665,000
REIMB FROM VILLAGE	\$78	\$0	\$21,392	\$0	\$0
USE OF RESERVED BALANCES	\$0	\$0	\$0	\$0	\$604,169
TOTAL	\$843,887	\$793,751	\$736,086	\$659,238	\$1,274,169
CIVIC CENTER OPERATIONS FUND					
INTEREST INCOME	\$1,234	\$662	\$0	\$0	\$0
CATERER - ANNUAL FEE	\$0	\$0	\$50	\$500	\$400
FOOD/BEVERAGE COMMISSION	\$1,679	\$9,726	\$8,089	\$6,900	\$8,238
CORP BEVERAGE COMMISSION	\$0	\$0	\$941	\$1,387	\$1,350
ROOM RENTAL/USER FEES	\$4,456	\$32,818	\$33,996	\$43,077	\$51,690
PROGRAM REVENUE	\$0	\$0	\$0	\$1,450	\$1,200
OP GRANT/CONTRIBUTION	\$6,000	\$8,000	\$22,135	\$18,723	\$46,865
MISCELLANEOUS INCOME	\$0	\$45	\$1,314	\$0	\$0
BUILDER PERMITS	\$50,000	\$0	\$0	\$0	\$0
TOTAL	\$63,369	\$51,251	\$66,525	\$72,037	\$109,743
TIF 1 DEBT SERVICE FUND					
INTEREST INCOME	\$96,981	\$127,184	\$65,017	\$40,000	\$40,000
STATE - LOCAL SALES TAX	\$905,320	\$1,035,752	\$970,560	\$877,950	\$568,260
STATE - SALES TAX	\$779,735	\$817,895	\$831,248	\$460,402	\$30,000
TIF - REAL ESTATE TAXES	\$1,443,481	\$1,547,854	\$1,891,046	\$2,057,148	\$2,000,000
TOTAL	\$3,225,517	\$3,528,685	\$3,757,871	\$3,435,500	\$2,638,260
TIF 1 CAPITAL PROJECTS FUND					
INTEREST INCOME	\$147,965	\$140,974	\$52,189	\$7,384	\$10,000
GRANT REVENUE	\$0	\$75,000	\$0	\$0	\$0
USE OF FUND BALANCE	\$0	\$0	\$0	\$0	\$3,388,392
CAPITAL PROJECTS TRANSFER	\$2,315,360	\$2,460,012	\$2,806,216	\$2,132,897	\$1,574,475
TOTAL	\$2,463,325	\$2,675,986	\$2,858,405	\$2,140,281	\$4,972,867
TIF 2 FUND					
INTEREST INCOME	\$40,660	\$48,246	\$12,642	\$1,750	\$2,500
TIF - REAL ESTATE TAXES	\$1,440,568	\$1,720,390	\$1,926,260	\$2,139,545	\$2,050,000
TOTAL	\$1,481,228	\$1,768,636	\$1,938,902	\$2,141,295	\$2,052,500

Account Description	FY07 Actual	FY08 Actual	FY09 Actual	FY10 Projected	FY11 Budget
TIF 3 PROJECTS FUND					
INTEREST INCOME	\$5,861	\$6,478	\$2,035	\$200	\$250
TIF - REAL ESTATE TAXES	\$62,776	\$84,129	\$114,165	\$134,404	\$125,000
USE OF RESERVED BALANCES	\$0	\$0	\$0	\$0	\$214,971
TOTAL	\$68,637	\$90,607	\$116,200	\$134,604	\$340,221
GOVERNMENTAL DEBT SERVICE FUND					
INTEREST INCOME	\$97,037	\$66,618	\$23,765	\$6,944	\$4,484
STATE - MFT ALLOTMENT	\$0	\$0	\$0	\$349,856	\$297,407
HOME RULE SALES TAX	\$831,148	\$756,000	\$778,680	\$785,000	\$785,000
UTILITY TAX - TELEPHONE	\$280,520	\$220,000	\$312,000	\$362,000	\$377,000
UTILITY TAX - GAS	\$88,920	\$80,000	\$94,999	\$120,000	\$135,000
UTILITY TAX - ELECTRIC	\$173,620	\$110,000	\$119,000	\$120,000	\$120,000
FEDERAL BAB CREDIT	\$0	\$0	\$0	\$0	\$52,449
2006 BOND PROCEEDS	\$212,851	\$0	\$0	\$0	\$0
TOTAL	\$1,684,096	\$1,232,618	\$1,328,444	\$1,743,800	\$1,771,340
BOND FUNDED PROJECTS FUND					
INTEREST INCOME	\$355,998	\$140,702	\$29,618	\$3,500	\$4,000
PROPERTY SALE	\$0	\$0	\$387,667	\$0	\$0
GRANT REIMBURSEMENT	\$0	\$7,500	\$0	\$0	\$0
BOND/LOAN PROCEEDS	\$3,394,538	\$0	\$0	\$3,660,417	\$776,000
USE OF RESERVED BALANCES	\$0	\$0	\$0	\$0	\$2,291,000
TOTAL	\$3,750,536	\$148,202	\$417,285	\$3,663,917	\$3,071,000
CAPITAL EQUIPMENT FUND					
INTEREST INCOME	\$26,445	\$28,757	\$7,360	\$400	\$2,400
STATE - LOCAL SALES TAX	\$32,233	\$41,851	\$42,717	\$45,403	\$50,000
TIF - REAL ESTATE TAXES	\$86,160	\$103,994	\$117,788	\$130,000	\$125,000
HOME RULE SALES TAX	\$191,500	\$200,501	\$176,247	\$118,501	\$75,000
UTILITY TAX - TELEPHONE	\$38,255	\$57,174	\$41,085	\$19,417	\$20,000
UTILITY TAX - GAS	\$14,631	\$49,211	\$32,637	\$16,046	\$6,000
UTILITY TAX - ELECTRIC	\$26,135	\$79,134	\$70,411	\$60,000	\$60,000
RENTAL INCOME	\$34,860	\$47,732	\$68,801	\$57,735	\$59,953
PROPERTY SALE	\$29,850	\$17,313	\$5,941	\$8,498	\$6,000
GRANT REVENUE	\$0	\$346,400	\$81,618	\$0	\$0
MISCELLANEOUS INCOME	\$236,291	\$96,422	\$0	\$0	\$0
IMPACT FEE - SINGLE LOT	\$10,000	\$1,250	\$1,250	\$0	\$0
USE OF RESERVED BALANCES	\$0	\$0	\$0	\$0	\$25,818
TOTAL	\$726,360	\$1,069,739	\$645,855	\$456,000	\$430,171
DOLLARS FOR SCHOLARS FUND					
INTEREST REVENUE	\$43	\$35	\$31	\$12	\$30
CONTRIBUTIONS	\$3,150	\$6,445	\$6,323	\$6,000	\$5,970
TOTAL	\$3,193	\$6,480	\$6,354	\$6,012	\$6,000

SCHEDULE OF FEES

Section of Code	Fee Description	FY11 Amount of Fee
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 \$3.31/1,000 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	\$35.00
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

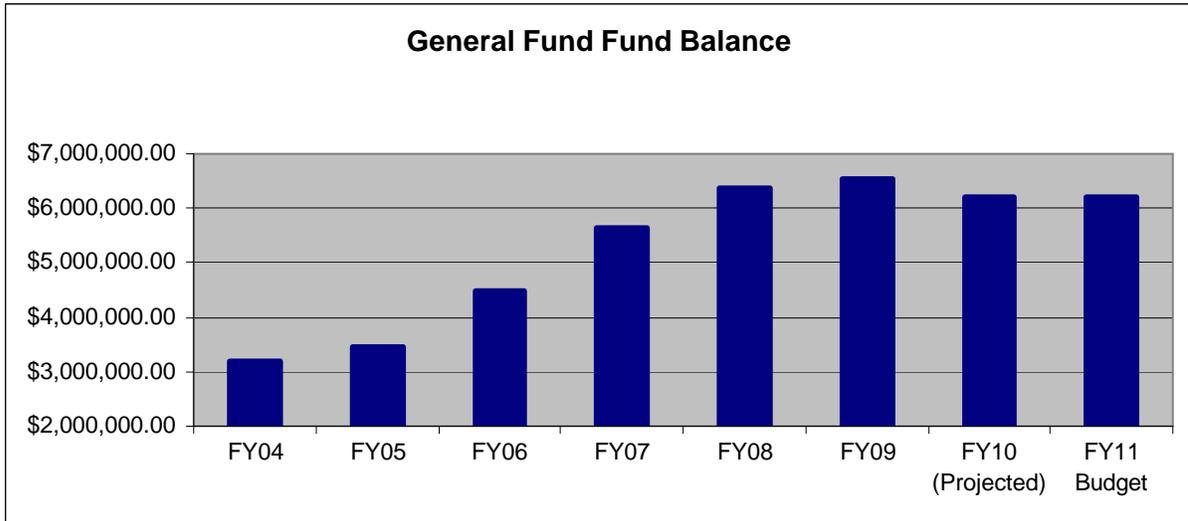
<i>Section of Code</i>	<i>Fee Description</i>	<i>FY11 Amount of Fee</i>
Section 3-3-3	Municipal Electric Utility Tax	(1) For the first 2,000 kilowatt-hours used or consumed in a month: 0.580 cents per kilowatt-hour; (2) For the next 48,000 kilowatt-hours used or consumed in a month: 0.363 cents per kilowatt-hour; (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>FY11 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)	\$3.02 per 1,000 gallons Increases to \$3.17 per 1,000 gallons (September 1, 2010)
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

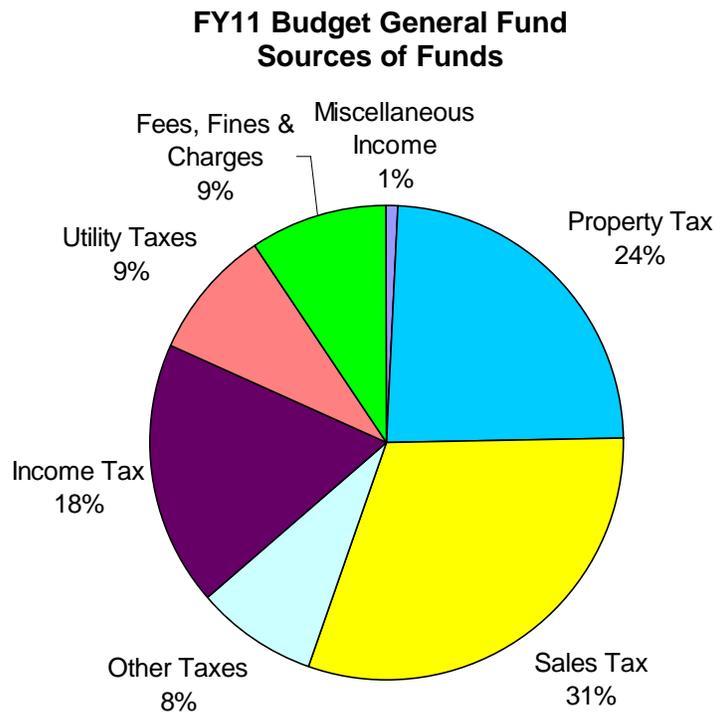
GENERAL FUND

The General Fund FY11 budget is balanced, with revenues matching expenses at \$10,200,179. This is a 1% increase over the FY10 budget of \$10,094,789.

Due to the conservative fiscal management of the Mayor and Village Board, the Village has experienced tremendous growth in the General Fund fund balance over the last several years. The chart below shows this growth. As you can see, FY10 is projected to have a decline in fund balance for the first time in over seven years.



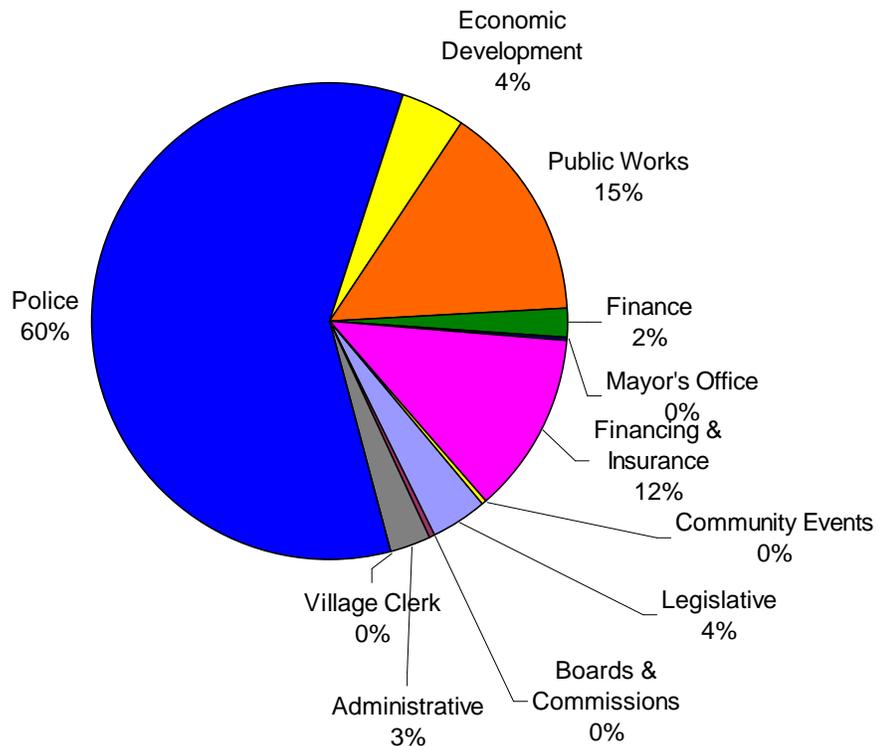
The General Fund breakdown of revenues is shown in the chart below.



Sales Tax has grown as a source of revenue to the General Fund with the relocation of Wal-Mart from within TIF District #1 to a location outside the TIF. This revenue stream makes up 31% of the General Fund budget. Property tax makes up nearly one quarter of the FY11 budget while Income Tax makes up 18%. Fees, Fines & Charges and Utility Taxes each make up 9% of the General Fund budget. "Other Taxes," including Amusement Tax and Township Road & Bridge Tax, make up 8% of the FY11 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 49 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 Projected	FY11 Budget
Salaries	28,200	28,800	28,800	28,800
Employment Expenses	61,262	58,962	39,203	36,838
Operating Supplies/Expenses	28,149	18,379	17,131	6,975
Contractual Services	336,661	356,313	367,980	335,800
Total Legislative	454,272	462,454	453,114	408,413

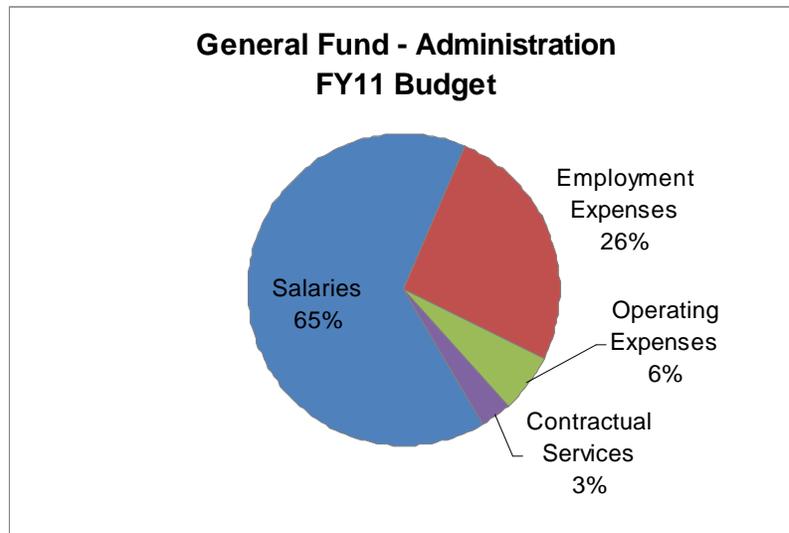
The **Boards and Commissions** of the Village include the Planning and Zoning Commission and the Police Commission. The Planning and Zoning Commission is responsible for reviewing proposals for new development in the Village. It takes public comment on proposals and makes recommendations to the Mayor 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 Projected	FY11 Budget
Salaries	3,150	4,320	3,432	3,720
Employment Expenses	2,743	1,290	2,121	1,907
Operating Supplies/Expenses	5,241	2,422	1,809	1,815
Contractual Services	34,878	70,282	37,947	21,835
Total Boards & Commissions	46,012	78,314	45,309	29,277

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 FY11 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 Projected	FY11 Budget
Salaries	153,115	164,282	164,822	171,906
Employment Expenses	62,983	62,321	61,132	69,010
Operating Supplies/Expenses	15,425	16,504	16,480	16,310
Contractual Services	7,481	21,679	10,850	8,675
Total Administration	239,004	264,786	253,284	265,901



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.

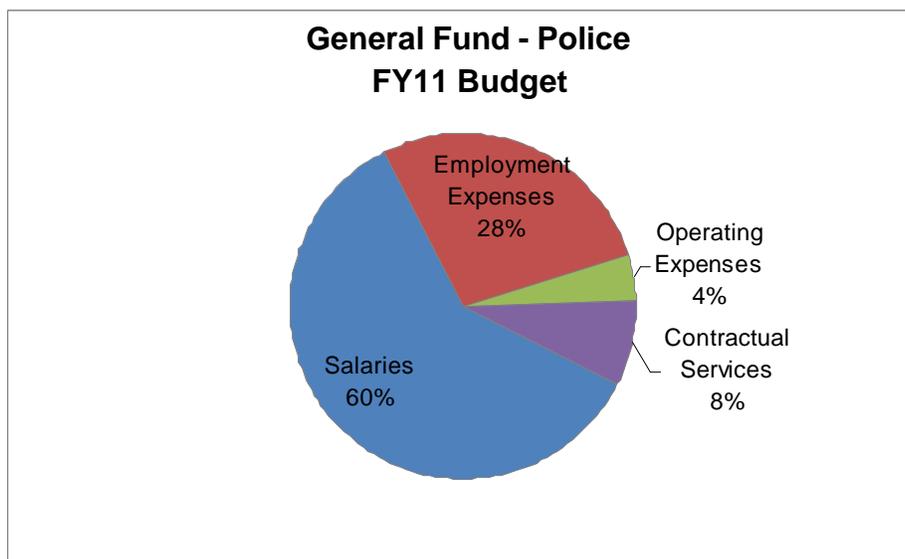
Village Clerk	FY08 Actual	FY09 Actual	FY10 Projected	FY11 Budget
Salaries	8,544	-	2,000	2,000
Employment Expenses	3,926	558	2,342	2,174
Operating Supplies/Expenses	2,273	3,600	640	300
Contractual Services	4,827	6,010	3,898	4,700
Total Village Clerk	19,570	10,168	8,880	9,174

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 Projected	FY11 Budget
Salaries	3,423,657	3,519,953	3,464,461	3,616,562
Employment Expenses	1,456,794	1,546,669	1,569,138	1,672,202
Operating Supplies/Expenses	340,846	255,697	233,268	237,419
Contractual Services	462,089	555,752	523,025	490,841
Total Police	5,683,386	5,878,071	5,789,892	6,017,024



POLICE PERFORMANCE INDICATORS

POLICE DEPARTMENT	2007 Actual	2008 Actual	2009 Actual	2010 Estimate
Calls for Service Answered	18,511	15,225	15,054	15,500
Traffic Stops	4,345	4,566	6,670	7,000
Traffic Citations Written	5,796	4,630	7,802	8,000
Ordinance Violations Written	4,867	4,094	3,778	3,000
Adult Arrests Made	1,396	1,081	1547	1,500
Juvenile Arrests Made	320	327	303	320
Training Hours	5,248	4,289	2,824	2,500
Community Education Hours	428	377	501	500
Crime-Free Multi-Housing Landlord Training Hours	96	48	40	65

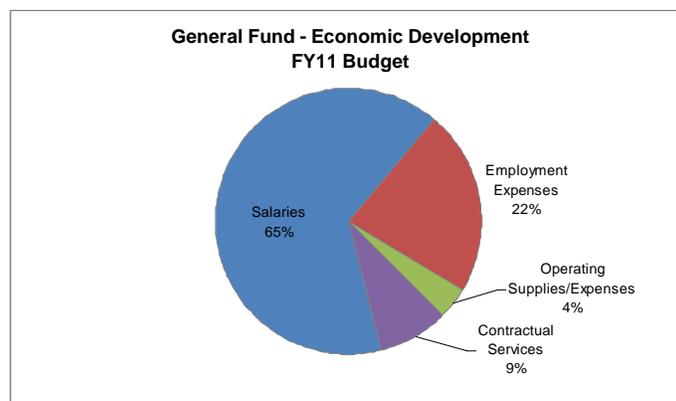
The **Economic Development Department** activities help to promote two (2) primary missions of the Village: Public Health and Safety; and Future Development of the Community.

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 Projected	FY11 Budget
Salaries	209,724	226,590	243,398	295,153
Employment Expenses	85,568	88,947	83,768	101,916
Operating Supplies/Expenses	37,959	31,234	16,323	18,241
Contractual Services	149,355	150,055	83,800	38,980
Total Economic Development	482,606	496,826	427,289	454,290



ECONOMIC DEVELOPMENT PERFORMANCE INDICATORS

ECONOMIC DEVELOPMENT	2007 Actual	2008 Actual	2009 Actual	2010 Estimate
Building Inspections	1,967	3,843	6,936	6,750
Business Inspections	601	643	965	825
Business Certificates	345	339	325	320
Rental Inspections	929	980	1,794	1,200
Occupancy Permits	585	373	805	750
Property Maintenance	2,808	3,317	3,780	3,500
Systematic Inspection Program	972	994	929	950
Weed Inspections	1,836	2,219	1,812	2,000
Resident Inquiries	1,720	1,461	309	400
Emergency Call-outs	103	157	87	90

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.

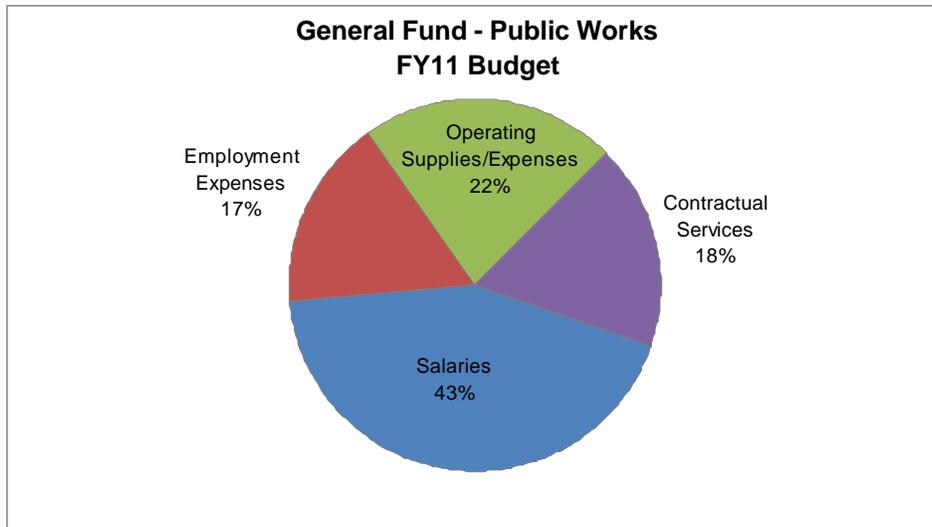
The *Administrative Division* is responsible for planning, directing, and coordinating the Department's short and long-term goals. Administrative personnel are also responsible for customer service requests generated from resident concerns. The Administrative Division coordinates Capital Improvement 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 Projected	FY11 Budget
Salaries	659,898	700,787	696,851	659,037
Employment Expenses	254,716	262,299	248,109	250,513
Operating Supplies/Expenses	382,937	338,970	318,061	337,960
Contractual Services	172,263	197,927	293,975	269,358
Total Public Works	1,469,814	1,499,983	1,556,996	1,516,868

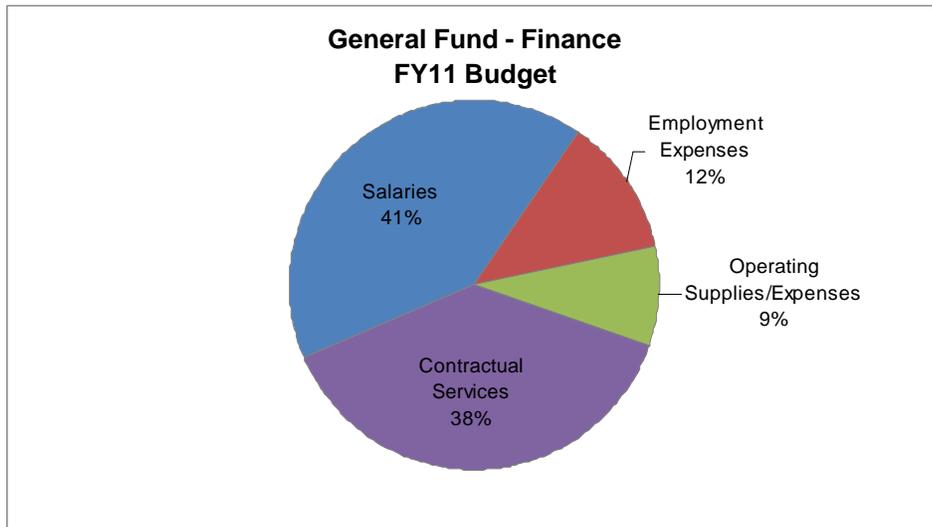


PUBLIC WORKS PERFORMANCE INDICATORS

PUBLIC WORKS	2007 Actual	2008 Actual	2009 Actual	2010 Estimate
Inspect/Flush Hydrants	52	512	967	967
Hydrant Replacement			14	12
Sanitary Sewer Preventative Jet Rodding (lineal feet)	108,112	141,062	165,364	150,000
Customer Sanitary Back-Ups			10	6
Valve Exercising	486	772	374	500
Street Sign Upgrades	139	184	349	250
Drainage Improvements (lineal feet)	2,685	3,040	7,460	5,000
Tree Pruning	569	389	278	350
Outsourced HVAC Calls	31	25	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.

Finance	FY08 Actual	FY09 Actual	FY10 Projected	FY11 Budget
Salaries	69,488	75,871	79,137	79,522
Employment Expenses	20,444	20,788	21,020	24,032
Operating Supplies/Expenses	17,825	17,490	16,597	16,692
Contractual Services	54,210	66,991	79,716	74,741
Total Finance	161,967	181,140	196,470	194,987



FINANCE	2007 Actual	2008 Actual	2009 Actual	2010 Estimate
Number of Water Bills	48,600	49,724	58,022	58,000
Number of Second Notice Water Bills	8,992	10,018	10,140	10,000
Number of Accounts Payable Checks	3,870	4,215	3,386	3,000
Number of Counter Transactions	34,886	35,530	35,606 (\$4,479,341)	35,000
Number of Phone Calls		24,811	27,298	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 Projected	FY11 Budget
Salaries	15,029	15,206	20,000	20,000
Employment Expenses	6,055	7,078	6,691	6,789
Operating Supplies/Expenses	814	1,121	790	250
Contractual Services	-	-	75	-
Total Mayor	21,898	23,405	27,556	27,039

The **Financing and Insurance** section of the FY10 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 Projected	FY11 Budget
Salaries	-	-	-	-
Employment Expenses	198,345	287,925	341,962	269,205
Operating Supplies/Expenses	13,815	21,115	221	-
Financing Costs & Obligations	438,176	431,122	477,251	983,001
Total Financing & Insurance	650,336	740,162	819,434	1,252,206

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 Projected	FY11 Budget
Salaries	-	-	-	-
Employment Expenses	-	-	-	-
Operating Supplies/Expenses	42,368	38,190	30,000	25,000
Contractual Services	-	-	-	-
Total Community Events	42,368	38,190	30,000	25,000

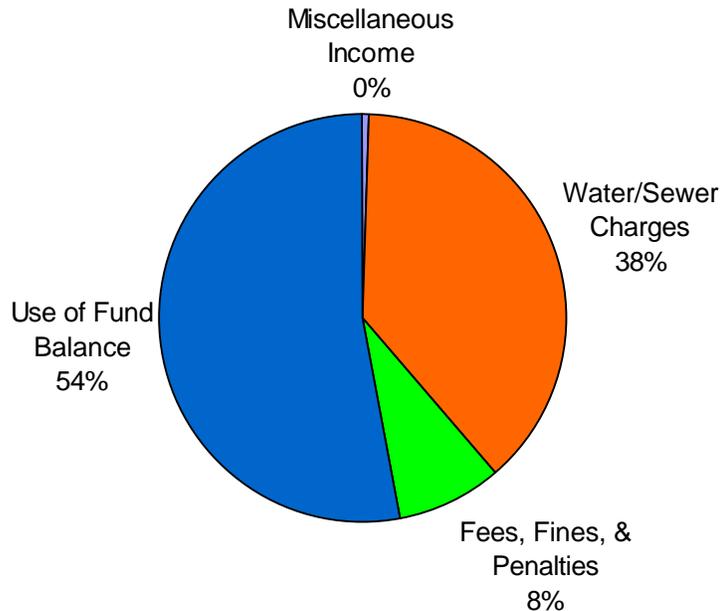
WATER & SEWER FUND

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 FY11 Operations budget is balanced, with revenues matching expenses at \$8,669,727. This is a 109.9% increase over the FY10 Operations budget of \$4,129,127. The FY11 budget includes a transfer for \$4,603,972 to the Capital Improvements Fund to fund necessary, planned capital improvement projects for which significant net assets have been accumulated. All operating expenses are offset with revenues, **not** fund balance.

The Capital Improvements Fund is also balanced at \$5,021,785, including the \$4.6 million transfer from the Operations Fund as revenue. This is an increase of 242.3% over the FY10 budget of \$1,467,149.

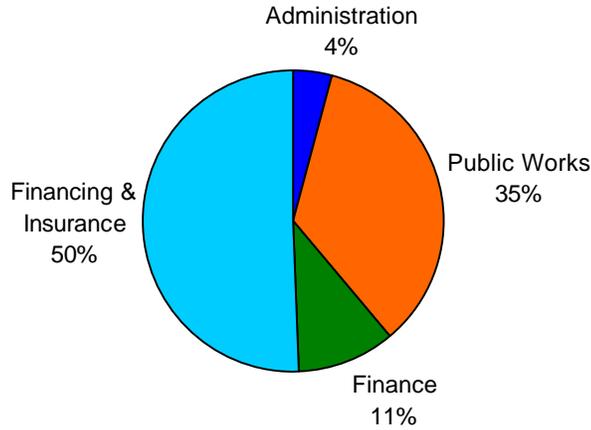
The primary sources of funds for the Operations Fund are water and sewer charges. This year, however, there is a very significant transfer of reserves (fund balance) to the Capital Projects Fund, causing it to be the largest source of revenue. This entire amount, \$4,603,972, is being transferred to the Capital Projects Fund and is **not** being used to fund operations. The breakdown is included on the following chart.

**FY11 Water & Sewer Operations Fund Sources of Funds
FY11 Budget**



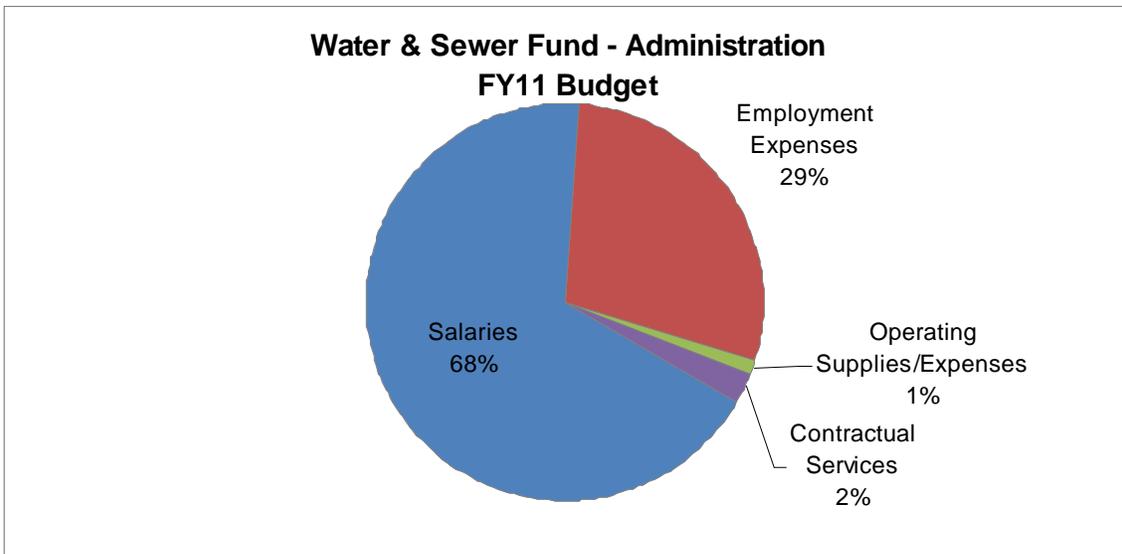
Several departments support the Water & Sewer Operations of the Village, including the Public Works, Finance, and Administration Departments. The expenses of the Operations Fund have been broken out by department in the chart on the following page. The Village purchases water from Central Lake County 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
FY11 Budget**

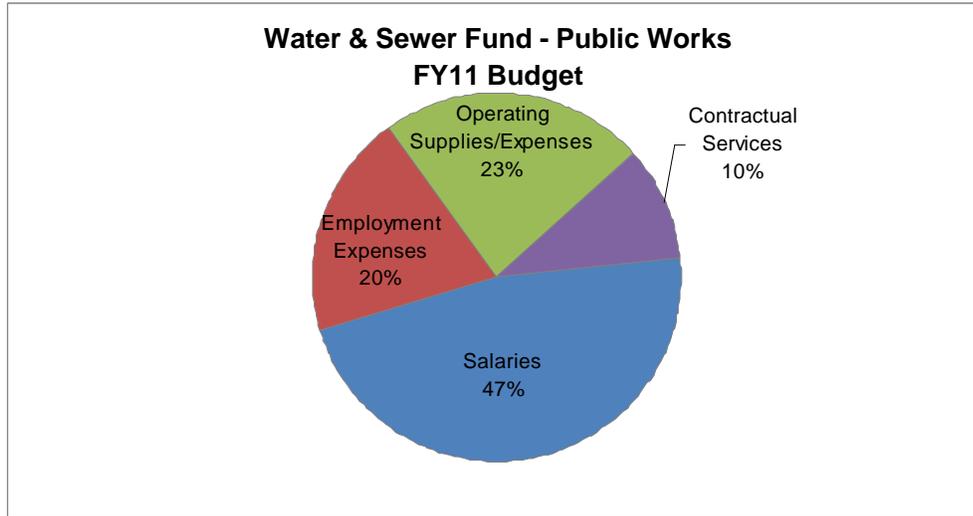


The remainder of this section shows the detailed expenses of the Water & Sewer Operations Fund. Capital expenditures are included in the next section on Capital Improvements.

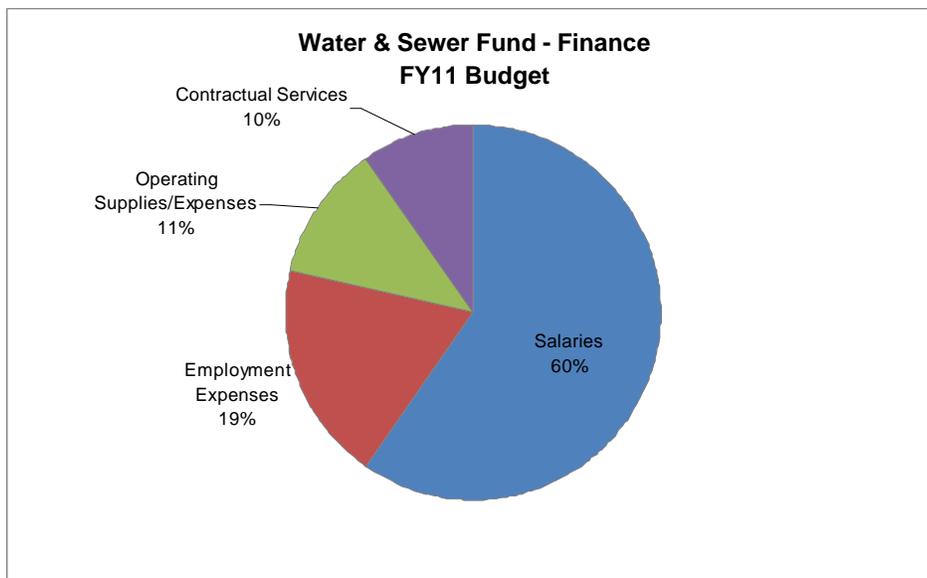
	FY08 Actual	FY09 Actual	FY10 Projected	FY11 Budget
Administration				
Salaries	99,756	110,324	111,785	114,624
Employment Expenses	43,903	44,542	42,281	48,439
Operating Supplies/Expenses	3,411	2,419	1,990	1,990
Contractual Services	-	5,469	3,850	4,225
Total Administration	147,070	162,754	159,906	169,278



Public Works	FY08 Actual	FY09 Actual	FY10 Projected	FY11 Budget
Salaries	622,958	644,056	692,103	665,165
Employment Expenses	250,508	257,411	257,411	279,374
Operating Supplies/Expenses	303,039	293,503	314,633	329,299
Contractual Services	125,290	125,467	163,349	140,473
Total Public Works	1,301,795	1,320,437	1,427,496	1,414,311



Finance	FY08 Actual	FY09 Actual	FY10 Projected	FY11 Budget
Salaries	223,728	236,855	243,579	257,668
Employment Expenses	70,102	71,307	71,353	81,709
Operating Supplies/Expenses	44,311	51,687	47,052	49,216
Contractual Services	58,241	48,272	49,903	42,450
Total Finance	396,382	408,121	411,887	431,043



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 Projected	FY11 Budget
Salaries	-	-	-	-
Employment Expenses	191,123	114,142	322,891	207,300
Operating Supplies/Expenses	182	25	182	-
Contractual Services	1,635,966	1,611,422	1,622,450	1,803,371
Financing Costs & Obligations	443,396	1,211	-	40,451
Total Financing & Insurance	2,270,667	1,726,800	1,945,523	2,051,122

OTHER FUNDS

The detailed revenue and expense budgets for each of the **OTHER GOVERNMENTAL FUNDS** are included below. The impact of the FY11 budget on that fund's fund balance is also included.

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 11 and therefore, its fund balance is not addressed separately here.

Housing & Redevelopment	FY08 Actual	FY09 Actual	FY10 Projected	FY11 Budget
Property Purchase	116,499	-	4,089	200,000
Rehab Expense	5,406	1,000	115,000	101,000
Legal	-	-	11,715	10,000
Interest	7,522	12,552	11,196	14,500
Other	28,251	51,065	3,850	1,750
Total Housing & Redevelopment	157,678	64,617	145,850	327,250

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
Revenues, Expenditures & Changes in Fund Balance**

	FY08 Actual	FY09 Actual	FY10 Projected	FY11 Budget
Revenues				
Taxes	1,547,855	1,891,047	2,057,148	2,000,000
Intergovernmental	1,853,649	1,801,808	1,338,352	598,260
Interest Income	127,185	65,018	40,000	40,000
Total revenues	<u>3,528,689</u>	<u>3,757,873</u>	<u>3,435,500</u>	<u>2,638,260</u>
Expenditures				
Principal	795,000	840,000	885,000	945,000
Interest	210,075	199,167	156,937	115,785
Bond issue cost	741	-	-	-
Fiscal agent fees	3,000	3,485	3,000	3,000
Total expenditures	<u>1,008,816</u>	<u>1,042,652</u>	<u>1,044,937</u>	<u>1,063,785</u>
Excess (deficiency) of revenues over expenditures	<u>2,519,873</u>	<u>2,715,221</u>	<u>2,390,563</u>	<u>1,574,475</u>
Other financing sources (uses)				
Transfer out	<u>(2,460,013)</u>	<u>(2,806,217)</u>	<u>(2,132,896)</u>	<u>(1,574,475)</u>
Total other financing sources (uses)	<u>(2,460,013)</u>	<u>(2,806,217)</u>	<u>(2,132,896)</u>	<u>(1,574,475)</u>
Net change in fund balance	59,860	(90,996)	257,667	-
Fund balance, May 1	<u>1,807,796</u> (a)	<u>1,867,656</u> (a)	<u>1,776,660</u> (a)	<u>2,034,327</u> (b)
Fund balance, April 30	<u>1,867,656</u> (a)	<u>1,776,660</u> (a)	<u>2,034,327</u> (b)	<u>2,034,327</u> (b)

Note:

- (a) Audited numbers
- (b) Estimated numbers

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
Revenues, Expenditures & Changes in Fund Balance**

	<u>FY08 Actual</u>	<u>FY09 Actual</u>	<u>FY10 Projected</u>	<u>FY11 Budget</u>
Revenues				
Interest income	140,974	52,190	7,384	10,000
Total revenues	<u>140,974</u>	<u>52,190</u>	<u>7,384</u>	<u>10,000</u>
Expenditures				
Interest expense	10,335	5,936	1,577	-
Principal expense	96,470	84,059	46,122	-
Operating expense	750	-	1,397	-
Contractual services	19,824	7,699	12,500	12,500
Capital outlay	959,618	1,315,493	3,247,289	4,960,367
Total expenditures	<u>1,086,997</u>	<u>1,413,187</u>	<u>3,308,885</u>	<u>4,972,867</u>
Excess (deficiency) of revenues over expenditures	<u>(946,023)</u>	<u>(1,360,997)</u>	<u>(3,301,501)</u>	<u>(4,962,867)</u>
Other financing sources (uses)				
Transfer in	2,460,012	2,806,216	2,132,897	1,574,475
Total other financing sources (uses)	<u>2,460,012</u>	<u>2,806,216</u>	<u>2,132,897</u>	<u>1,574,475</u>
Net change in fund balance	1,513,989	1,445,219	(1,168,604)	(3,388,392)
Fund balance, May 1	2,443,442 (a)	3,957,431 (a)	5,402,650 (a)	4,234,046 (b)
Fund balance, April 30	<u>3,957,431 (a)</u>	<u>5,402,650 (a)</u>	<u>4,234,046 (b)</u>	<u>845,654 (b)</u>

Note:

- (a) Audited numbers
- (b) Estimated numbers

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
Revenues, Expenditures & Changes in Fund Balance**

	FY08 Actual	FY09 Actual	FY10 Projected	FY11 Budget
Revenues				
Taxes	1,720,390	1,926,260	2,139,545	2,050,000
Interest Income	48,247	12,643	1,750	2,500
Total revenues	<u>1,768,637</u>	<u>1,938,903</u>	<u>2,141,295</u>	<u>2,052,500</u>
Expenditures				
Rebate	1,769,288	1,939,475	2,141,195	2,052,500
Total expenditures	<u>1,769,288</u>	<u>1,939,475</u>	<u>2,141,195</u>	<u>2,052,500</u>
Excess (deficiency) of revenues over expenditures	<u>(651)</u>	<u>(572)</u>	<u>100</u>	<u>-</u>
Other financing sources (uses)				
Transfer				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(651)	(572)	100	-
Fund balance, May 1	1,964 (a)	1,313 (a)	741 (a)	841 (b)
Fund balance, April 30	<u>1,313 (a)</u>	<u>741 (a)</u>	<u>841 (b)</u>	<u>841 (b)</u>

Note:

- (a) Audited numbers
- (b) Estimated numbers

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
Revenues, Expenditures & Changes in Fund Balance**

	<u>FY08 Actual</u>	<u>FY09 Actual</u>	<u>FY10 Projected</u>	<u>FY11 Budget</u>
Revenues				
Taxes	84,130	114,165	134,404	125,000
Interest income	6,478	2,035	200	250
Total revenues	<u>90,608</u>	<u>116,200</u>	<u>134,604</u>	<u>125,250</u>
Expenditures				
Capital outlay	107,493	144,253	4,450	340,221
Total expenditures	<u>107,493</u>	<u>144,253</u>	<u>4,450</u>	<u>340,221</u>
Excess (deficiency) of revenues over expenditures	<u>(16,885)</u>	<u>(28,053)</u>	<u>130,154</u>	<u>(214,971)</u>
Other financing sources (uses)				
Transfer				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(16,885)	(28,053)	130,154	(214,971)
Fund balance, May 1	<u>129,827</u> (a)	<u>112,942</u> (a)	<u>84,889</u> (a)	<u>215,043</u> (b)
Fund balance, April 30	<u>112,942</u> (a)	<u>84,889</u> (a)	<u>215,043</u> (b)	<u>72</u> (b)

Note:

- (a) Audited numbers
- (b) Estimated numbers

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
Revenues, Expenditures & Changes in Fund Balance**

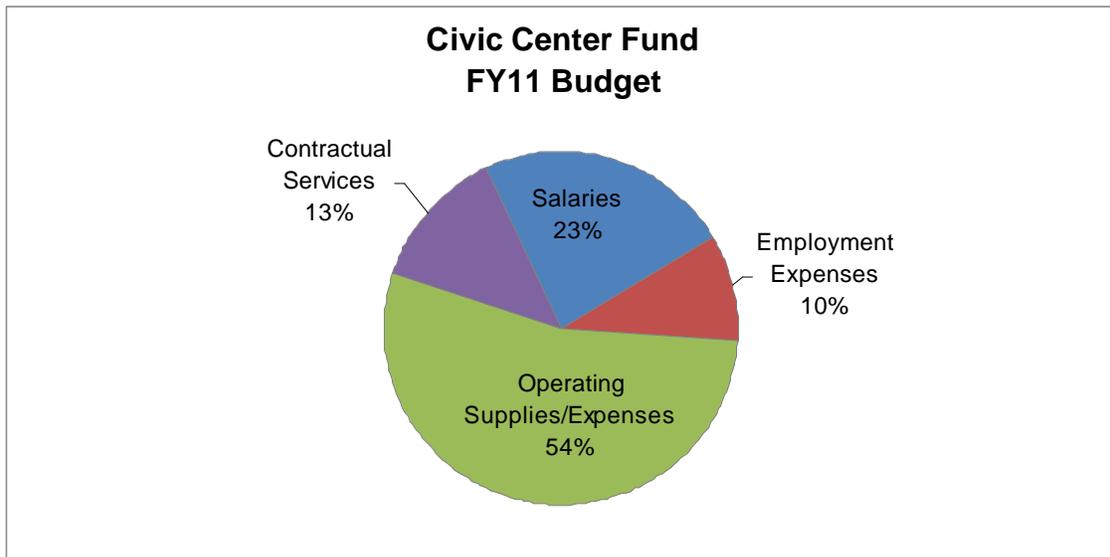
	<u>FY08 Actual</u>	<u>FY09 Actual</u>	<u>FY10 Projected</u>	<u>FY11 Budget</u>
Revenues				
Intergovernmental	7,500	-	-	-
Interest income	140,704	29,619	3,500	4,000
Total revenues	<u>148,204</u>	<u>29,619</u>	<u>3,500</u>	<u>4,000</u>
Expenditures				
Capital outlay	1,718,052	1,163,914	1,425,000	3,055,480
Total expenditures	<u>1,718,052</u>	<u>1,163,914</u>	<u>1,425,000</u>	<u>3,055,480</u>
Excess (deficiency) of revenues over expenditures	<u>(1,569,848)</u>	<u>(1,134,295)</u>	<u>(1,421,500)</u>	<u>(3,051,480)</u>
Other financing sources (uses)				
Proceeds from sale of property	-	387,667	-	-
Issuance of debt	-	-	3,660,418	776,000
Issuance cost	-	-	(42,063)	(15,520)
Total other financing sources (uses)	<u>-</u>	<u>387,667</u>	<u>3,618,355</u>	<u>760,480</u>
Net change in fund balance	<u>(1,569,848)</u>	<u>(746,628)</u>	<u>2,196,855</u>	<u>(2,291,000)</u>
Fund balance, May 1	2,415,494 (a)	845,646 (a)	99,018 (a)	2,295,873 (b)
Fund balance, April 30	<u>845,646 (a)</u>	<u>99,018 (a)</u>	<u>2,295,873 (b)</u>	<u>4,873 (b)</u>

Note:

- (a) Audited numbers
- (b) Estimated numbers

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	FY08 Actual	FY09 Actual	FY10 Projected	FY11 Budget
Salaries	23,655	26,812	24,160	25,485
Employment Expenses	8,837	9,074	10,219	10,857
Operating Supplies/Expenses	66,846	70,467	62,086	58,935
Contractual Services	19,232	21,573	11,680	14,466
Total Civic Center Operations	118,570	127,926	108,145	109,743



The fund balance analysis for this fund is included on page 11.

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
Revenues, Expenditures & Changes in Fund Balance**

	FY08 Actual	FY09 Actual	FY10 Projected	FY11 Budget
Revenues				
Taxes	490,017	438,171	389,367	336,000
Intergovernmental	388,251	124,336	-	-
Charges for services	1,250	1,250	-	-
Rental Income	47,733	68,801	57,735	59,953
Interest income	28,758	7,361	400	2,400
Other Income	96,422	-	8,498	6,000
Total revenues	1,052,431	639,919	456,000	404,353
Expenditures				
Planning, consulting & engineering	22,616	1,134	4,012	5,000
Capital outlay	695,959	1,324,645	371,594	425,171
Total expenditures	718,575	1,325,779	375,606	430,171
Excess (deficiency) of revenues over expenditures	333,856	(685,860)	80,394	(25,818)
Other financing sources (uses)				
Proceeds from sale of equipment	17,313	5,942	-	-
Capital leases	41,427	248,514	-	-
Total other financing sources (uses)	58,740	254,456	-	-
Net change in fund balance	392,596	(431,404)	80,394	(25,818)
Fund balance, May 1	818,574 (a)	1,211,170 (a)	779,766 (a)	860,160 (b)
Fund balance, April 30	<u>1,211,170 (a)</u>	<u>779,766 (a)</u>	<u>860,160 (b)</u>	<u>834,342 (b)</u>

Note:

- (a) Audited numbers
- (b) Estimated numbers

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	FY08 Actual	FY09 Actual	FY10 Projected	FY11 Budget
Federal - Treasury Funds Expense	13,413	-	-	-
State Seizure Expense	4,642	500	3,555	2,197
Federal - Justice Funds Expense	4,086	-	-	5,000
DUI/740 Control Expense	-	20,825	-	5,000
K-9 Grant Expense	5,740	6,411	6,500	6,500
Mobile Eye Expense	-	5,400	9,000	8,000
Explorers Program Expense	-	-	-	-
Total Police Special Revenue Fund	27,881	33,136	19,055	26,697

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

**Metra Operations
Revenues, Expenditures & Changes in Fund Balance**

	FY08 Actual	FY09 Actual	FY10 Projected	FY11 Budget
Revenues				
Interest income	1,299	685	65	250
Parking lot fees	30,683	36,168	30,425	28,100
Total revenues	<u>31,982</u>	<u>36,853</u>	<u>30,490</u>	<u>28,350</u>
Expenditures				
Operating expenses	15,368	17,392	18,839	17,014
Contractual services	4,621	11,646	20,074	11,336
Capital outlay	37	9,169	55,607	-
Total expenditures	<u>20,026</u>	<u>38,207</u>	<u>94,520</u>	<u>28,350</u>
Excess (deficiency) of revenues over expenditures	<u>11,956</u>	<u>(1,354)</u>	<u>(64,030)</u>	<u>-</u>
Other financing sources (uses)				
Transfer				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	11,956	(1,354)	(64,030)	-
Fund balance, May 1	59,150 (a)	71,106 (a)	69,752 (a)	5,722 (b)
Fund balance, April 30	<u>71,106 (a)</u>	<u>69,752 (a)</u>	<u>5,722 (b)</u>	<u>5,722 (b)</u>

Note:

- (a) Audited numbers
- (b) Estimated numbers

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
Revenues, Expenditures & Changes in Fund Balance**

	FY08 Actual	FY09 Actual	FY10 Projected	FY11 Budget
Revenues				
Intergovernmental	746,927	699,326	657,150	665,000
Interest income	46,825	15,369	2,088	5,000
Miscellaneous	-	21,392	-	-
Total revenues	<u>793,752</u>	<u>736,087</u>	<u>659,238</u>	<u>670,000</u>
Expenditures				
Capital outlay	453,590	596,804	893,600	976,762
Total expenditures	<u>453,590</u>	<u>596,804</u>	<u>893,600</u>	<u>976,762</u>
Excess (deficiency) of revenues over expenditures	<u>340,162</u>	<u>139,283</u>	<u>(234,362)</u>	<u>(306,762)</u>
Other financing sources (uses)				
Transfer out - debt service	-	-	(334,015)	(297,407)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(334,015)</u>	<u>(297,407)</u>
Net change in fund balance	340,162	139,283	(568,377)	(604,169)
Fund balance, May 1	884,054 (a)	1,224,216 (a)	1,363,499 (a)	795,122 (b)
Fund balance, April 30	<u>1,224,216 (a)</u>	<u>1,363,499 (a)</u>	<u>795,122 (b)</u>	<u>190,953 (b)</u>

Note:

- (a) Audited numbers
- (b) Estimated numbers

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
Revenues, Expenditures & Changes in Fund Balance**

	<u>FY08 Actual</u>	<u>FY09 Actual</u>	<u>FY10 Projected</u>	<u>FY11 Budget</u>
Revenues				
Taxes	1,166,000	1,304,680	1,736,856	1,714,407
Intergovernmental	-	-	-	52,449
Interest Income	<u>66,618</u>	<u>23,767</u>	<u>6,944</u>	<u>4,484</u>
Total revenues	<u>1,232,618</u>	<u>1,328,447</u>	<u>1,743,800</u>	<u>1,771,340</u>
 Expenditures				
Principal	605,000	760,000	785,000	1,015,000
Interest	676,855	658,524	632,114	753,340
Bond issue cost	5,811	-	57	-
Fiscal agent fees	<u>1,950</u>	<u>1,485</u>	<u>1,485</u>	<u>3,000</u>
Total expenditures	<u>1,289,616</u>	<u>1,420,009</u>	<u>1,418,656</u>	<u>1,771,340</u>
 Excess (deficiency) of revenues over expenditures	<u>(56,998)</u>	<u>(91,562)</u>	<u>325,144</u>	<u>-</u>
 Other financing sources (uses)				
Transfer	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Net change in fund balance	<u>(56,998)</u>	<u>(91,562)</u>	<u>325,144</u>	<u>-</u>
Fund balance, May 1	<u>2,394,534</u> (a)	<u>2,337,536</u> (a)	<u>2,245,974</u> (a)	<u>2,571,118</u> (b)
Fund balance, April 30	<u><u>2,337,536</u></u> (a)	<u><u>2,245,974</u></u> (a)	<u><u>2,571,118</u></u> (b)	<u><u>2,571,118</u></u> (b)

Note:

- (a) Audited numbers
- (b) Estimated numbers

The Village is a Dollars for Scholars chapter, and tracks all associated expenditures in the **Dollars for Scholars Fund**. Several scholarships are given to deserving Round Lake Beach students each year through this program.

Dollars for Scholars	FY08 Actual	FY09 Actual	FY10 Projected	FY11 Budget
Scholarship Expense	6,150	6,150	6,000	6,000
Total Dollars for Scholars	6,150	6,150	6,000	6,000

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 FY11 have been discussed in detail and approved by the Board as part of the overall FY11 budget.

5 - Year Capital Improvement Plan					
	FY11	FY12	FY13	FY14	FY15
Water & Sewer Capital Projects Fund					
Capital Projects					
Lift Station Upgrades (Turnbull and Kenilworth)	\$151,510				
Watermain Improvements (Lotus Drive)	\$232,250				
2009 Watermain Program (Southwest Side)	\$4,368,000				
Lift Station Upgrade (Melrose)	\$10,000				
Lift Station Improvement (Oak Tree)	\$12,000				
Well #6 Upgrade	\$12,500				
Oakwood Drive Stormwater Pump Station				\$525,000	
Watermain Improvements		\$1,060,000	\$1,060,000	\$1,060,000	\$1,060,000
Ongoing Maintenance					
SCADA Maintenance	\$20,000	\$5,000	\$20,000	\$5,000	\$5,000
Water Meter Replacement	\$27,000	\$40,000	\$40,000	\$40,000	\$40,000
CMOM Annual Cleaning/Televising	\$25,000				
Sanitary Sewer Inspection Program		\$108,000	\$108,000	\$108,000	\$108,000
GIS Updates	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Annual Maintenance (Sewer)	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Orchard Lane Elevated Tank Painting		\$350,000			
Orchard Lane Elevated Tank Generator		\$75,000			
TOTAL - Water & Sewer Capital Projects	\$5,133,260	\$1,913,000	\$1,503,000	\$2,013,000	\$1,488,000

5 - Year Capital Improvement Plan					
	FY11	FY12	FY13	FY14	FY15
Metra Fund					
Parking Lot Resurfacing		\$34,000			\$34,000
HVAC		\$5,500			
TOTAL - Metra Fund	\$0	\$39,500	\$0	\$0	\$34,000
Motor Fuel Tax Fund					
Capital Projects					
CMAQ Sidewalk Phase I	\$777,750				
CMAQ Sidewalk Phase II	\$385,000				
LAPP Roads Project (Hawthorne)	\$275,000				
Roadway Improvements (Lotus Drive)	\$76,000				
Hook Drive Restriping	\$16,000				
Ongoing Maintenance					
Road Resurfacing Debt Service	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000
Materials Purchase	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000
TOTAL - Motor Fuel Tax Fund	\$2,229,750	\$700,000	\$700,000	\$700,000	\$700,000
TIF Capital Projects Fund					
Kenmore/Redwing	\$1,403,750				
North/Woodmoor	\$770,000				
Hickory/Oak	\$1,512,000				
Remaining TIF Roadways		\$1,700,000	\$1,700,000	\$1,700,000	\$0
TOTAL - TIF Capital Projects Fund	\$3,685,750	\$1,700,000	\$1,700,000	\$1,700,000	\$0
TIF#3 Capital Projects Fund					
Public Improvements	\$340,221				
TOTAL - TIF #3 Capital Projects Fund	\$340,221	\$0	\$0	\$0	\$0
Bond Funded Capital Projects Fund					
Countrywalk Resurfacing Phase II	\$1,000,000				
Countrywalk Resurfacing Phase III	\$1,295,000				
TOTAL - Bond Funded Capital Projects	\$2,295,000	\$0	\$0	\$0	\$0
General Fund Capital Fund					
IT Equipment					
Computer Replacement	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Police Computer Replacement	\$2,768	\$8,000	\$8,000	\$4,000	\$8,000
Servers	\$8,448		\$12,000		\$12,000
Other	\$2,015	\$4,000	\$4,000	\$4,000	\$4,000
Facility Maintenance/Repair/Replacement					
Parking Lots	\$27,000	\$250,000	\$10,500	\$10,500	\$10,500
Major Equipment/Replacement	\$15,340	\$20,000	\$15,000	\$20,000	\$15,000
Culvert Replacement	\$125,000				
Vehicle Replacement					
Administration	\$12,000	\$12,000	\$12,000		
Economic Development	\$8,960	\$5,000		\$9,000	\$9,000
Police Department	\$74,354	\$100,000	\$75,000	\$100,000	\$100,000
Public Works	\$142,286	\$100,000	\$80,000	\$100,000	\$150,000
TOTAL - General Fund Capital Fund	\$430,171	\$511,000	\$228,500	\$259,500	\$320,500
TOTAL CAPITAL PROJECTS	\$14,114,152	\$4,863,500	\$4,131,500	\$4,672,500	\$2,542,500

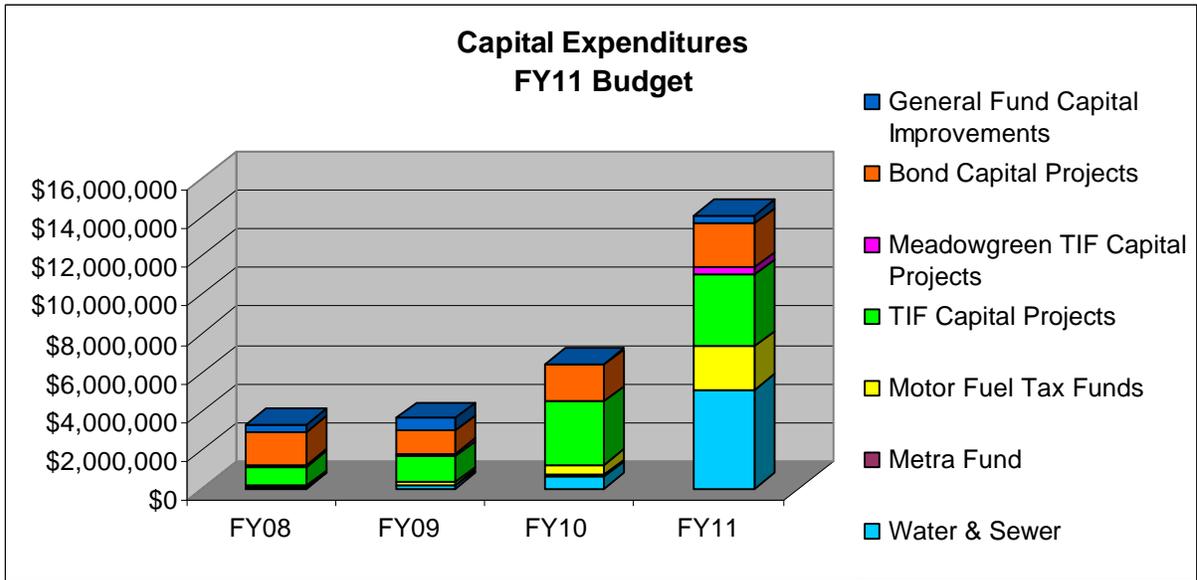
The Village is very aware of the importance of maintaining its infrastructure. Water infrastructure is expensive as are the monetary and social costs incurred when infrastructure fails. If a system is well maintained, it can operate safely over a long time period. The Village carries out an ongoing process 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."

FY11 Projects and Purchases

As mentioned previously in this document, the Village has budgeted a very aggressive capital project plan for the upcoming FY11. 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 be a result of more intense competition over available work.

The following chart shows that the FY11 budget for capital expenditures is significantly higher than that of recent years.



The specific projects that are planned in the **Water & Sewer Fund** are:

- Lift station upgrades at Turnbull and Kenilworth and generator replacements will be funded through the following five grants:
 - 2008 Community Development Block Grant
 - 2009 Community Development Block Grant
 - 2009 Community Development Block Grant - Recovery
 - Illinois Department of Commerce and Economic Opportunity Grant
 - Capital Bill Grant – Illinois Dept. of Commerce and Economic Opportunity
- Water main improvements on Lotus Drive between Golfview and Rollins (along with street reconstruction which is being funded out of the Motor Fuel Tax Fund);
- 2009 Watermain replacement program in the Southwest section of town;
- Lift station upgrades to the Melrose and Oak Tree Lift Stations’ control system;
- Well #6 upgrade;
- Annual cleaning, televising and maintenance of the Village’s sewer system; and
- Continued updates to the Village’s Geographic Information System (GIS).

No projects are planned in the **Metra Fund**. The **Motor Fuel Tax** capital project budget includes:

- Safe Routes to School (SRTS)/Congestion Mitigation and Air Quality (CMAQ)-grant funded sidewalk projects on Oakwood, Hawthorne, Orchard and Hook Drive;

- Local Agency Pavement Preparation (LAPP) pavement resurfacing on Hawthorne Drive between Cedar Lake and Rollins;
- Roadway improvements on Lotus Drive between Golfview and Rollins (along with water main improvements funded out of the Water & Sewer Fund); and
- Restriping of Hook Drive.

In the **TIF Capital Project Fund**, total reconstruction of roadways and water main improvements will either continue or start on the following roads:

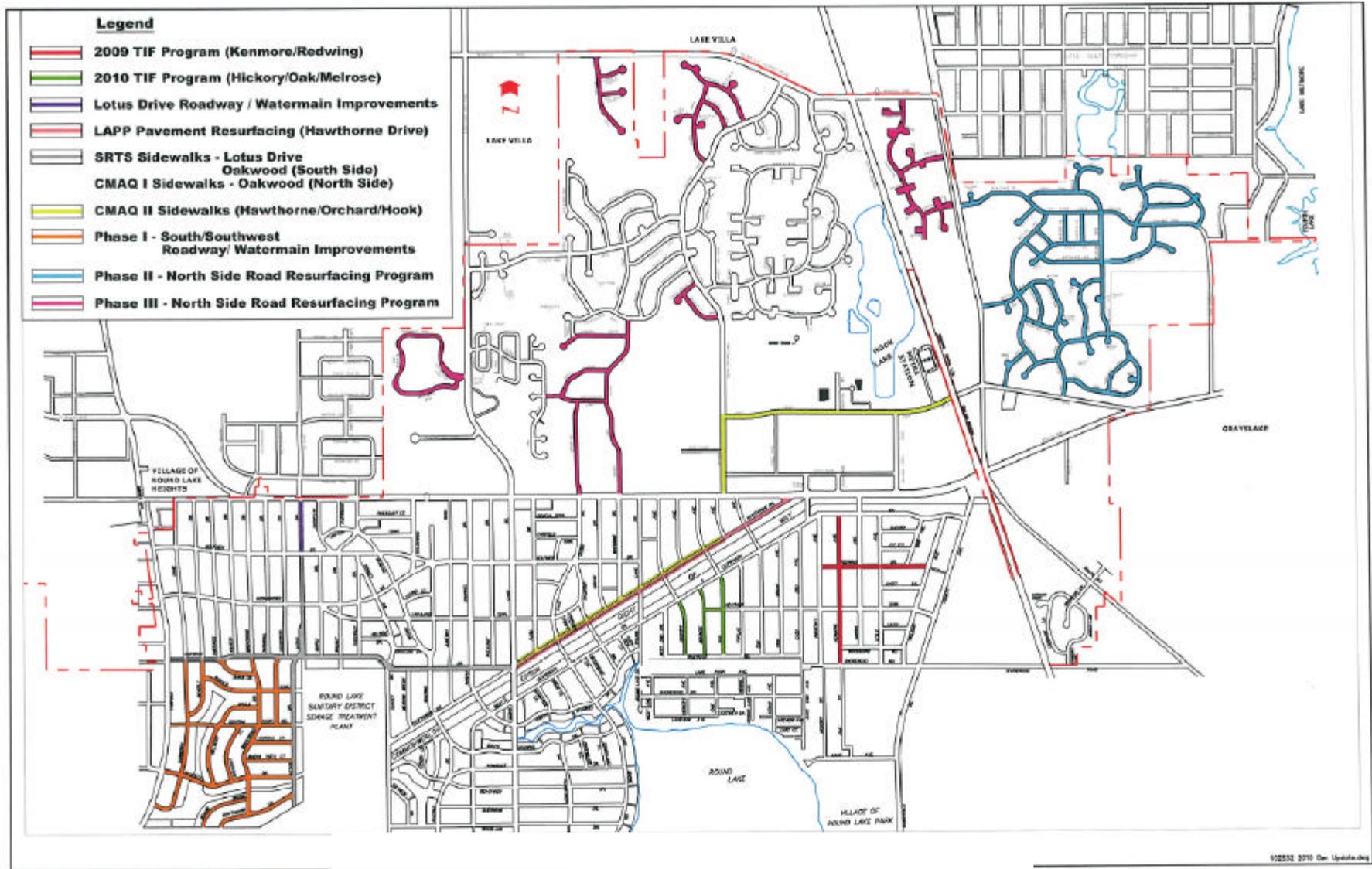
- Kenmore
- Redwing
- North
- Woodmoor
- Hickory
- Oak

The **Bond Funded Capital Projects** included in the FY11 budget are:

- Phase 2 and 3 of the Country Walk Resurfacing project begun in 2009.

These projects span every section of the Village. A map of the planned projects is included on the next page.

FISCAL YEAR 2010 – 2011 CAPITAL PROJECTS



APPENDIX

THE BUDGETING PROCESS

The Village has been very aware that the depressed economy will affect 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 FY11 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. Departments were advised in the initial budget preparation stages that this would need to be a very prudent budget. In November, the Tax Levy was proposed and discussed. A Public Hearing was held on December 14, 2009, and the Tax Levy for tax year 2009 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 2009. 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 FY11 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 22, 2010. The Board then approved and adopted the Final Budget at its regular meeting on March 22, 2010.

This budget process is summarized in graphical format below.

October 2009	November 2009	December 2009	January 2010	February 2010	March 2010
<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	IEPA Loan 10/29/2006	Tax Increment Rev Bonds 10/29/2003	Incremental sales tax notes payable 1998	Incremental sales tax notes payable 2004	
Calendar Year	Principal Amount Outstanding									Total Outstanding
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
2009	\$4,950,000	\$4,275,000	\$3,175,000	\$3,635,000	\$3,695,000	\$2,225,916	\$3,375,000	\$3,914,599	\$43,234	\$29,288,749
2010	\$4,685,000	\$4,070,000	\$3,025,000	\$3,495,000	\$3,425,000	\$2,111,202	\$2,490,000	\$3,624,510	\$0	\$26,925,712
2011	\$4,410,000	\$3,860,000	\$2,870,000	\$3,350,000	\$3,225,000	\$1,993,601	\$1,545,000	\$3,315,565		\$24,569,166
2012	\$4,125,000	\$3,640,000	\$2,710,000	\$3,200,000	\$3,020,000	\$1,873,042	\$1,050,000	\$2,986,539		\$22,604,581
2013	\$3,830,000	\$3,415,000	\$2,545,000	\$3,045,000	\$2,810,000	\$1,749,451	\$535,000	\$2,636,126		\$20,565,577
2014	\$3,520,000	\$3,185,000	\$2,375,000	\$2,880,000	\$2,595,000	\$1,622,750	\$0	\$2,262,936		\$18,440,686
2015	\$3,195,000	\$2,945,000	\$2,200,000	\$2,710,000	\$2,375,000	\$1,492,862		\$1,865,489		\$16,783,351
2016	\$2,855,000	\$2,700,000	\$2,015,000	\$2,535,000	\$2,150,000	\$1,359,707		\$1,442,208		\$15,056,915
2017	\$2,500,000	\$2,445,000	\$1,825,000	\$2,350,000	\$1,915,000	\$1,223,201		\$991,413		\$13,249,614
2018	\$2,130,000	\$2,180,000	\$1,630,000	\$2,160,000	\$1,675,000	\$1,083,262		\$511,317		\$11,369,579
2019	\$1,745,000	\$1,905,000	\$1,425,000	\$1,960,000	\$1,425,000	\$939,803		\$0		\$9,399,803
2020	\$1,340,000	\$1,620,000	\$1,210,000	\$1,750,000	\$1,165,000	\$792,734				\$7,877,734
2021	\$915,000	\$1,320,000	\$990,000	\$1,530,000	\$890,000	\$641,966				\$6,286,966
2022	\$470,000	\$1,010,000	\$760,000	\$1,305,000	\$605,000	\$487,405				\$4,637,405
2023	\$0	\$685,000	\$520,000	\$1,065,000	\$310,000	\$328,956				\$2,908,956
2024		\$350,000	\$265,000	\$815,000	\$0	\$166,521				\$1,596,521
2025		\$0	\$0	\$555,000		\$0				\$555,000
2026				\$285,000						\$285,000
2027				\$0						\$0

Under the 1970 Illinois Constitution, there is no legal debt limit for home rule municipalities except as set by the General Assembly. If the Village were subject to such a limitation, outstanding indebtedness could not exceed 8.625% of equalized assessed valuation. Currently, the Village's direct bonded general obligation debt of \$18,700,000 represents 4.23% of the Village's 2008 equalized assessed valuation of \$442,120,778 (the most current EAV available). Total indebtedness of all types is 6.09% of the Village's 2008 equalized assessed valuation.

Village of Round Lake Beach Schedule of Debt Service Payments

Date Issued =	GO 8/15/2001	GO 4/1/2004	GO 11/15/2004	GO 8/1/2006	GO (BABS) 7/27/2009	IEPA Loan 10/29/2006	Tax Increment Rev Bonds 10/29/2003	Incremental sales tax notes payable 1998	Total
Fiscal Year	Principal + Interest Payment Due								Total
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	\$169,650	\$1,060,785	\$544,538	\$3,543,313
2012	\$490,438	\$358,793	\$274,669	\$289,590	\$350,856	\$169,650	\$566,843	\$544,538	\$3,045,376
2013	\$492,353	\$357,043	\$273,894	\$293,158	\$350,475	\$169,650	\$563,825	\$544,538	\$3,044,934
2014	\$493,713	\$360,028	\$272,519	\$291,310	\$349,175	\$169,650	\$559,878	\$544,538	\$3,040,809
2015	\$494,088	\$357,348	\$275,519	\$289,255	\$346,113	\$169,650		\$544,538	\$2,476,509
2016	\$493,448	\$359,140	\$273,119	\$291,993	\$342,313	\$169,650		\$544,538	\$2,474,199
2017	\$492,118	\$360,343	\$270,281	\$289,315	\$342,188	\$169,650		\$544,538	\$2,468,432
2018	\$488,728	\$360,935	\$272,238	\$291,430	\$336,025	\$169,650		\$544,538	\$2,463,543
2019	\$491,440	\$360,898	\$273,781	\$293,130	\$334,625	\$169,650		\$544,538	\$2,468,062
2020	\$492,000	\$365,210	\$269,913	\$294,310	\$332,750	\$169,650		\$544,552	\$2,468,385
2021	\$490,750	\$363,660	\$270,838	\$290,070	\$334,750	\$169,650			\$1,919,718
2022	\$493,500	\$366,260	\$271,350	\$295,620	\$331,000	\$169,650			\$1,927,380
2023		\$363,260	\$276,450	\$295,540	\$326,394	\$169,650			\$1,431,294
2024		\$364,525	\$275,931	\$294,915	\$326,275	\$169,650			\$1,431,296
2025				\$293,865		\$169,650			\$463,515
2026				\$297,255		\$84,825			\$382,080
2027									\$0

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: 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)

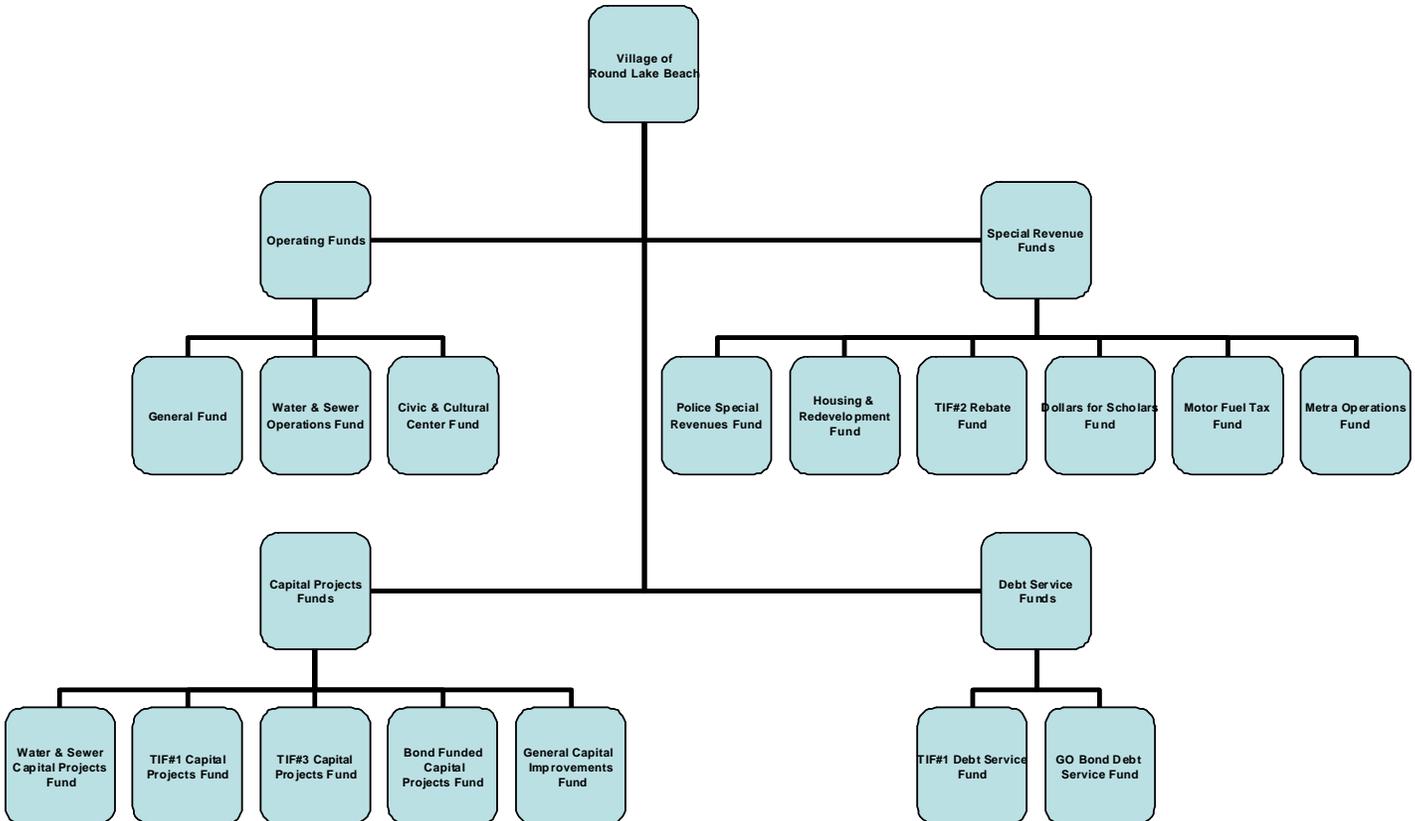
Data Profile*: Average Household Size: 3.53
Median Age: 29.2
Total Housing Units: 8,369
Median Household Income: \$62,500 (in 2007 inflation adjusted dollars)
Per Capita Income: \$20,528 (in 2007 inflation adjusted dollars)

* 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.