

VILLAGE OF ROUND LAKE, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended
April 30, 2011



Certified Public Accountants & Advisors

VILLAGE OF ROUND LAKE, ILLINOIS
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INDEPENDENT AUDITOR'S REPORT

The Town Board of Trustees
Village of Round Lake
Round Lake, Illinois

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of Village of Round Lake, Illinois (the Village) as of and for the year ended April 30, 2011, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Village of Round Lake, Illinois' management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As described in Note 1, the policy of the Village is to prepare its government-wide, proprietary and fiduciary fund financial statements on the modified cash basis and its governmental fund financial statements on the cash basis, both of which are a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Accordingly, the accompanying basic financial statements are not intended to present financial position and changes in financial position in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and business-type activities on the modified cash basis and each major fund and aggregate remaining fund information on the cash basis of the fund financial statements of Village of Round Lake, Illinois as of April 30, 2011, and the respective change in financial position modified cash basis and cash basis, thereof and for the year ended, on the basis of accounting described in Note 1.

The Management's Discussion and Analysis and other required supplementary information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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

Naperville, Illinois
November 4, 2011

A handwritten signature in black ink, appearing to read "Sibich LLP". The signature is written in a cursive, flowing style.

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

VILLAGE OF ROUND LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2011

The discussion and analysis of the Village of Round Lake's financial performance provides an overview of the Village's financial activities for the fiscal year ended April 30, 2011.

FINANCIAL HIGHLIGHTS

- The Village's Governmental net assets, which equal total assets minus total liabilities, were \$28,108,197 and \$27,072,450 at the end of fiscal year 2011 and 2010, respectively, an increase of \$1,035,747. Business-type activities net assets were \$40,579,226 and \$41,642,716 at the end of fiscal year 2011 and 2010, respectively, a decrease of \$1,063,490.
- Governmental unrestricted net assets, assets that may be used to meet the Village's ongoing obligations to residents and creditors, were \$4,523,457 and \$4,175,326 for fiscal year 2011 and 2010, respectively, an increase of \$348,131. Business-type activities unrestricted net assets were \$7,140,973 and \$7,294,384 for fiscal year 2011 and 2010, respectively, a decrease of \$153,411.
- Revenues for Governmental Activities (excluding contributions and transfers) equaled \$8,684,597 and were higher than total program expenses of \$7,648,850 by \$1,035,747 as compared to total revenues of \$8,184,760 which were lower than total expenses of \$8,256,858 by \$72,098 in the prior year. Revenues for Business-Type Activities (excluding contributions and transfers) equaled \$3,602,581 and were lower than total program expenses of \$4,666,071 by \$1,063,490, as compared to total revenues of \$4,122,833 which were lower than total expenses of \$4,374,747 by \$251,914, in the prior year.
- The fund balance for the General Fund equaled \$4,523,457, an increase of \$348,131 from the beginning fund balance of \$4,175,326.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Village of Round Lake's basic financial statements. The Village's basic financial statements are comprised of three main components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Village of Round Lake's finances, in a manner similar to private-sector business. The statement of net assets presents information on all of the Village's assets and liabilities on a modified cash basis, with the difference between the two being reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the receipts are collected (revenues) and the expenditures are paid (expenditures or expenses), except for capital asset and debt related transactions.

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, public safety, public works, community development, and interest expense. The business-type activities of Village include water/sewer and commuter parking lot activities.

Fund Financial Statements

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

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary funds. The Village maintains two types of proprietary funds, both are enterprise funds, one to account for its water and sewer operations and the other to account for its commuter lot operations. Both are used to report the functions presented as business-type activities in the governmental-wide financial statements.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The fiduciary funds include the Police Pension Fund, Special Service Areas #1, #2, and #4, Builders Escrow, and the Impact Fee Funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information and other supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Village of Round Lake, assets exceeded liabilities by \$68.7 million at April 30, 2011.

By far the largest portion of the Village's net assets reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure); less any related debt used to acquire those assets still outstanding. As of April 30, 2011, capital assets net of related debt totaled \$54.5 million, representing 79.4% of total net assets. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

Just over \$2.5 million (3.7 percent) of the Village's net assets represents resources that are subject to restrictions on how they may be used, such as for debt service, capital projects, and other specific purposes. The remaining \$11,664,430 balance of unrestricted net assets may be used to meet the Village's ongoing obligations to citizens and creditors.

Following is a table that summarizes the net assets of the Village at the close of the recent fiscal year by governmental activities, business-type activities, and village-wide. A comparison to the preceding fiscal year is presented for all three categories.

**Village of Round Lake Net Assets
Fiscal Years Ended April 30th**

	Governmental Activities		Business - Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current assets	\$7,056,768	\$6,441,963	\$7,198,246	\$7,351,362	\$14,255,014	\$13,793,325
Capital assets	35,548,991	35,608,328	34,603,253	35,573,332	70,152,244	71,181,660
Total assets	42,605,759	42,050,291	41,801,499	42,924,694	84,407,258	84,974,985
Other liabilities	19,471	17,580	36,952	27,890	56,423	45,470
Long-term liabilities	14,478,091	14,960,261	1,185,321	1,254,088	15,663,412	16,214,349
Total liabilities	14,497,562	14,977,841	1,222,273	1,281,978	15,719,835	16,259,819
Net assets						
Invested in capital assets, net of debt	21,070,900	20,648,067	33,438,253	34,348,332	54,509,153	54,996,399
Restricted	2,513,840	2,249,057	0	0	2,513,840	2,249,057
Unrestricted	4,523,457	4,175,326	7,140,973	7,294,384	11,664,430	11,469,710
Total net assets	\$28,108,197	\$27,072,450	\$40,579,226	\$41,642,716	\$68,687,423	\$68,715,166

Total net assets of the Village decreased by \$27,743 for the fiscal year ended 2011. Net assets related to governmental activities increased by \$1,035,747, while net assets related to business-type activities decreased by \$1,063,490.

In the governmental activities, current assets, mainly cash, increased \$614,805. General Fund cash increased \$345,350 and other governmental funds cash increased \$264,783. The increase in the General Fund is the result of revenues increasing 7.49% over the prior year and expenses, including transfers out, 3.14% less than the previous year's actual amount of \$6,672,600. All other governmental fund types revenues exceeded, with transfers in, expenses, resulting in an increase in cash for all other governmental fund types. Other liabilities increased slightly due to escrow deposit balances slightly higher in fiscal year end 2011. Long-term liabilities decreased \$482,170 mainly due to normal principal reductions for the Village's general obligation bonds and debt certificates.

In the business-type activities, current assets decreased by \$153,116 mainly due to receipts from customers and interest income lower than payments to vendors and other items such as bond payments and capital assets purchased. Capital assets decreased by \$970,079 due to depreciation expense of \$1,160,303 and only \$190,224 in new capital assets. The increase in other liabilities is mainly water and sewer utility bill credits as a result of customer overpayments that are owed to them as of April 30, 2011. Long-term liabilities decreased by \$68,767 from the preceding fiscal year due to a \$90,000 principal payment made on the Village's 2003C outstanding debt series and the pay down of slightly over \$8,700 on a note payable balance in the Commuter Parking Lot Fund. In addition, the Village issued \$1,165,000 general obligation bonds refunding bonds, series 2010C that refunded the outstanding \$1,135,000, 2003C series.

The table that follows summarizes the changes in net assets for the fiscal year just ended and the prior fiscal year.

**Village of Round Lake Changes in Net Assets
Fiscal Years Ended April 30th**

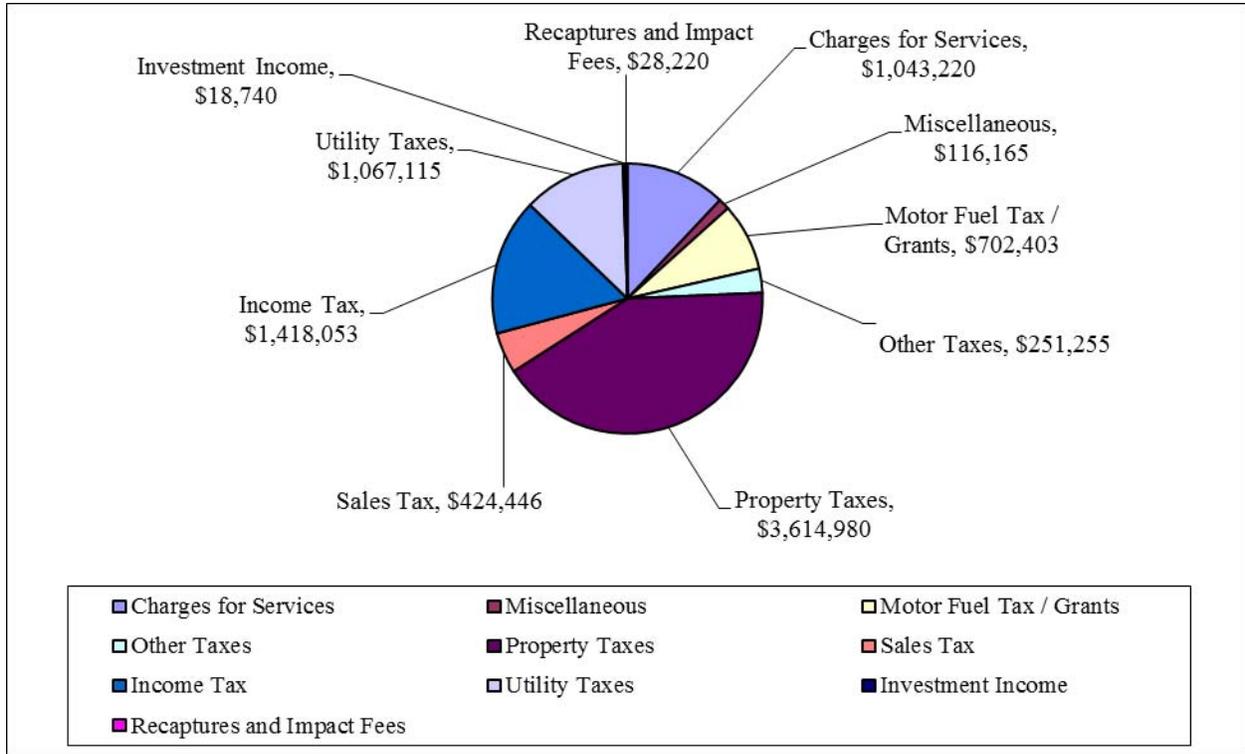
	Governmental Activities		Business - Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues						
Program revenues						
Charges for services	\$1,043,220	\$993,799	\$3,529,442	\$3,459,434	\$4,572,662	\$4,453,233
Operating Grants	557,090	743,694	-	-	557,090	743,694
Capital Grants	145,313	-	-	588,100	145,313	588,100
General revenues						
Property taxes	3,614,980	3,593,061	-	-	3,614,980	3,593,061
Income tax	1,418,053	1,070,824	-	-	1,418,053	1,070,824
Utility taxes	1,067,115	995,468	-	-	1,067,115	995,468
Other taxes	675,701	595,699	-	-	675,701	595,699
Interest income	18,740	28,814	16,319	28,151	35,059	56,965
Impact fees and recaptures	28,220	29,738	-	-	28,220	29,738
Miscellaneous	116,165	133,663	56,820	47,148	172,985	180,811
Total revenues	8,684,597	8,184,760	3,602,581	4,122,833	12,287,178	12,307,593
Program expenses						
General government	1,992,808	1,500,286	-	-	1,992,808	1,500,286
Police department	3,323,515	3,123,318	-	-	3,323,515	3,123,318
Public works	1,288,027	2,152,715	-	-	1,288,027	2,152,715
Community development	393,667	392,606	-	-	393,667	392,606
Debt service	650,833	1,087,933	-	-	650,833	1,087,933
Parking Lot	-	-	66,212	17,826	66,212	17,826
Water and sewer	-	-	4,599,859	4,356,921	4,599,859	4,356,921
Total expenses	7,648,850	8,256,858	4,666,071	4,374,747	12,314,921	12,631,605
Changes in net assets before contributions and transfers						
	1,035,747	(72,098)	(1,063,490)	(251,914)	(27,743)	(324,012)
Contributions	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Increase (decrease) in net assets	1,035,747	(72,098)	(1,063,490)	(251,914)	(27,743)	(324,012)
Beginning of year	27,072,450	27,144,548	\$41,642,716	\$41,894,630	68,715,166	69,039,178
End of year	\$28,108,197	\$27,072,450	\$40,579,226	\$41,642,716	\$68,687,423	\$68,715,166

Governmental Activities

Program revenues (amounts charged to residents for programs plus operating and capital grants) for governmental activities totaled \$1,745,623 and general revenues totaled \$6,938,974 for a total of \$8,684,597 an increase of \$499,837 from the preceding year.

The following graph depicts both program and general revenues by major revenue sources for governmental activities.

Revenues by Source – Governmental Activities



Property taxes account for the largest revenue source in the governmental type activities of the Village at 41.6% of the overall revenues. Charges for services, 12.0% of the total, include items such as business licenses, building permits, and refuse pickup. Income Tax (16.3%) is the portion of state income tax that the State of Illinois distributes to the Village on a per capita basis. Utility taxes include electric, gas, and the municipal telecommunications tax, which accounted for 12.3% of the overall revenues. Other taxes of \$251,255 include use and replacement tax.

Expenses related to governmental activities totaled \$7,648,850 in the current fiscal year, representing a decrease of \$608,008 from the preceding fiscal year. The reduction is mainly due to interest and fiscal charges on the Village's outstanding debt service \$437,100 less than the previous year expenses of \$1,087,933.

There were no contributions or transfers reported by the governmental activities in fiscal year end 2011 and 2010.

Business-Type Activities

Program revenues for business type activities totaled \$3,529,442 and general revenues totaled \$73,139 for a total of \$3,602,581, a decrease of \$520,252 from the preceding year. Charges for services increased by \$70,008 from 2010 to 2011, however, capital grants decreased \$588,100. The 2010 capital grant amount included \$495,300 for the acceptance of a watermain from a developer and a grant of \$92,800. All other revenue sources decreased \$2,160 from the prior year due to a reduction in interest income.

Expenses from business-type activities totaled \$4,666,071, compared to \$4,374,747 in the preceding year, an increase of \$291,324. From the previous year, operating expenses increased \$257,224, depreciation expense increased \$6,679, and interest expense went up \$27,421.

There were no contributions or transfers reported by the business-type activities in fiscal year end 2011 and 2010.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

As noted earlier, the Village of Round Lake uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of April 30, 2011, the Village's governmental funds reported a combined ending fund balance of \$7,037,297, representing an increase of \$612,914, or 9.5%, from the preceding year. Approximately 64.3%, \$4,523,457 constitutes unreserved, undesignated fund balance, which is available for spending at the village's discretion. The remainder of fund balance is reserved or designated, to indicate that it is not available for new spending because it has already been committed: 1) to pay debt service, or 2) for a variety of other restricted purposes.

General Fund. The General Fund is the main operating fund of the Village. At April 30, 2011 total fund balance was \$4,523,457, an increase of \$348,131 over the prior year fund balance. The following table summarizes General Fund revenues and expenditures, with a comparison to the operating budget, for the fiscal year ended April 30, 2011.

	Operating Budget	Actual	Variance	Percent Variance
Revenues				
Taxes	3,247,992	3,571,468	323,476	9.96%
Charges For Service	546,700	547,716	1,016	0.19%
Licenses And Permits	72,136	132,145	60,009	83.19%
Intergovernmental	1,875,250	2,094,964	219,714	11.72%
Fines	142,400	170,389	27,989	19.66%
Franchise Fees	166,700	192,970	26,270	15.76%
Interest Income	24,714	11,608	(13,106)	(53.03%)
Miscellaneous Income	133,414	116,165	(17,249)	(12.93%)
Total Revenues	6,209,306	6,837,425	628,119	10.12%
Expenditures				
General Government	1,776,650	1,614,543	162,107	9.12%
Police Department	2,918,373	3,178,471	(260,098)	(8.91%)
Public Works	798,114	799,965	(1,851)	(0.23%)
Community Development	395,987	384,421	11,566	2.92%
Capital Outlay	304,196	136,894	167,302	55.00%
Other Financing Uses	375,000	375,000	0	0.00%
Total Expenditures	6,568,320	6,489,294	79,026	1.20%
Changes In Fund Balance	(359,014)	348,131	707,145	196.97%

It should be noted for audit purposes the Police Pension Fund tax levy is included in the General Fund as revenue in the taxes category and as an expenditure in the Police Department, at \$294,349. As the chart shows, revenues were \$628,119, 10.12% above the operating budget amount. Besides taxes, the largest dollar variance is intergovernmental revenue, with actual charges \$219,714 over the budget amount due to use, sales, and income tax receipts higher than budget by \$29,467, \$44,446, and \$142,009, respectively. Although income tax was over the budget amount for the year, as of April 30, 2011, the State of Illinois owes the Village \$210,775.

Expenditures were 1.20% under the operating budget of \$6,568,320. The Police Department expenditures are \$34,251 under the operating budget after backing out the \$294,359 Police Pension tax levy. Besides capital outlay under budget by \$167,302, General Government is under budget by 9.12%.

General Government includes the Administration Department which had a number of categories less than budget, the more significant areas include payroll and related taxes at \$56,644, contractual services of \$49,582, and miscellaneous expenses \$36,200 under budget.

Other Governmental Funds. All other governmental fund type revenues were \$1,847,172, an increase of \$23,255 from the prior year amount of \$1,823,917. The table below lists the revenue types and the change from the prior year.

	2011	2010	Dollar Change	Percent Change
Revenues				
Taxes	1,110,627	1,043,861	66,766	6.40%
Intergovernmental	662,993	454,948	208,045	45.73%
Recaptures	38,200	269,131	(230,931)	100.00%
Impact Fees	28,220	29,738	(1,518)	(5.10%)
Interest Income	7,132	8,473	(1,341)	(15.83%)
Miscellaneous income	0	17,766	(17,766)	(100.00%)
Total revenues	1,847,172	1,823,917	23,255	1.28%

Taxes were \$66,766 higher than 2010 due to five gas utility tax payments received in fiscal year end 2011. Intergovernmental revenues increased \$208,045 as the Village received an Illinois Jobs Now Program \$71,967 payment and \$145,313 in Community Development Block Grant (CDBG) revenues for the Lawn Terrace roadway reconstruction project. Recapture revenue is down as in the prior year a \$268,781 reimbursement was received from both the County and Township for their share of intersection improvements.

The table below lists the expense types and the change from the prior year.

	2011	2010	Dollar Change	Percent Change
Expenditures				
General Government	59,275	63,402	(4,127)	(6.51%)
Public Works	79,812	79,778	34	0.04%
Capital Outlay	685,299	1,124,172	(438,873)	(39.04%)
Debt service	1,133,003	1,840,211	(707,208)	(38.43%)
Total expenditures	1,957,389	3,107,563	(1,150,174)	(37.01%)

All other governmental fund type expenditures were \$1,957,389, a decrease of \$1,150,174 from the prior year. As shown in the table above the major changes were the capital outlay and debt service category reductions.

Proprietary funds. The Village's proprietary funds, the Water and Sewer and the Commuter Parking Lot Fund, provides the same type of information found in the government-wide financial statements, but in more detail.

The Water and Sewer Fund reported total operating income before depreciation expense of \$125,896. Operating revenues totaled \$3,481,907, an increase of \$90,500 from the preceding year. Operating expenses excluding depreciation totaled \$3,356,011, an increase of \$208,474 from the prior year. Operating loss before non-operating items, transfers and contributions totaled \$1,034,407. The total change in net assets reported for the current fiscal year was a negative \$1,101,780.

The Commuter Parking Lot Fund reported total operating income before depreciation expense of \$39,210. Operating revenue totaled \$104,355, a decrease of \$10,820 from the preceding year. Operating expenses excluding depreciation totaled 65,154, an increase of \$48,750 from the prior year. The total change in net assets reported for the current fiscal year was a positive \$38,290.

Fiduciary funds. The Village's fiduciary funds consist of five agency funds and one Police Pension Trust Fund. Net assets held by the Police Pension Trust Fund totaled \$4,481,472 at April 30, 2011, an increase of \$435,256 from the prior year, due mainly to the fair value of investments increasing by \$351,197. Additions to the pension trust fund totaled \$864,766 and deductions totaled \$429,510.

BUDGETARY INFORMATION

All funds actual expenses were under the overall appropriations by \$3.5 million; however, the 2010 Bonds Debt Service Fund had expenses \$1,147 over the amount appropriated, due to bond agent fees higher than anticipated.

CAPITAL ASSETS

The Village's investment in capital assets for its governmental and business type activities as of April 30, 2011 was \$70,152,244 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, land improvements, vehicles, machinery and equipment, streets and related infrastructure. The total decrease in the Village's investment in capital assets for the year ended April 30, 2011 was \$1,029,416.

Capital Assets (net of depreciation) Fiscal Year Ended April 30, 2010

Description	Governmental Activities		Business - Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$11,353,950	\$11,353,950	\$30,000	\$30,000	\$11,383,950	\$11,383,950
Construction in progress	520,127	386,554	164,402	11,076	684,529	397,630
Buildings	8,476,607	8,704,032	0	0	8,476,607	8,704,032
Land Improvements	450,370	502,122	0	0	450,370	502,122
Vehicles and equipment	283,369	350,756	127,368	196,939	410,737	547,695
Infrastructure	14,464,568	14,310,914	34,281,483	35,335,317	48,746,051	49,646,231
Totals	\$35,548,991	\$35,608,328	\$34,603,253	\$35,573,332	\$70,152,244	\$71,181,660

Governmental activities capital assets decreased \$59,337 from the prior year and business-type activities capital assets decreased 2.7%. Major capital asset events during the current fiscal year include the following:

- The capitalization of \$170,915 for Chardon Road improvements and \$295,586 for the Nippersink and Fairfield intersection improvements.
- The purchase of a 2011 Ford F350 in the amount of \$36,898 and two 2011 Crown Victoria's at a cost of \$42,426.
- Depreciation expense in the governmental and business-type activities totaled \$731,024 and \$1,123,405, respectively in the current fiscal year.

DEBT ADMINISTRATION

As of April 30, 2011, the Village had five debt issues outstanding which include four general obligation bonds and one debt certificate series, along with one note payable. At the end of the current fiscal year, the Village of Round Lake had \$16,479,322 total debt outstanding as shown by the table below.

Outstanding Debt Fiscal Year Ended April 30, 2011

Description	Governmental Activities	Business Type Activities	Total
General Obligation Bonds	\$11,914,000	\$1,165,000	\$13,079,000
Debt Securities	3,380,000	0	3,380,000
Notes Payable	0	20,322	20,322
Total	\$15,294,000	\$1,185,322	\$16,479,322

During the year the Village's total outstanding debt decreased by \$550,937. \$305,000 of general obligation bonds and \$230,000 of debt certificates were retired during the year, along with notes payable in the amount of \$8,767. In addition, during fiscal year 2011 the Village issued \$1,165,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2010C that refunded the \$1,135,000 Series 2003C General Obligation Bonds (Alternate Revenue Source).

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

General economic conditions are expected to improve in the fiscal year beginning May 1, 2011 and ending April 30, 2012. However, it is anticipated that no new development will occur in the near future. Although economic revenues are balanced with property tax revenues, certain tax revenues that are impacted by the economy will need to be monitored carefully, such as sales and income tax. Both revenue sources are expected to increase in the upcoming year.

In addition, Village officials considered many factors when setting the fiscal year 2011-2012 budget and the associated property tax rates and charges for services. These factors include anticipated consumer priced indexed costs, economic driven revenue sources, completion of capital projects along with future projects, larger contracts that may be up for renewal, and an assessment of future staffing needs.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village of Round Lake's for all those with an interest in the Village's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Steven J. Shields, Director of Finance, Village of Round Lake, 442 N. Cedar Lake Road, Round Lake, IL 60073.

VILLAGE OF ROUND LAKE, ILLINOIS

STATEMENT OF NET ASSETS - MODIFIED CASH BASIS

April 30, 2011

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash	\$ 7,056,619	\$ 7,198,246	\$ 14,254,865
Due from fiduciary funds	149	-	149
Capital assets not being depreciated	11,874,077	194,402	12,068,479
Capital assets (net of accumulated depreciation)	23,674,914	34,408,851	58,083,765
Total assets	42,605,759	41,801,499	84,407,258
LIABILITIES			
Payroll withholdings payable	1,699	-	1,699
Escrow deposits	17,772	-	17,772
Other liabilities	-	36,952	36,952
Noncurrent liabilities			
Due within one year	545,000	114,147	659,147
Due within more than one year	13,933,091	1,071,174	15,004,265
Total liabilities	14,497,562	1,222,273	15,719,835
NET ASSETS			
Invested in capital assets, net of related debt	21,070,900	33,438,253	54,509,153
Restricted for			
Streets	518,900	-	518,900
Working cash	655,166	-	655,166
Debt service	166,133	-	166,133
Specific purposes	1,173,641	-	1,173,641
Unrestricted	4,523,457	7,140,973	11,664,430
TOTAL NET ASSETS	\$ 28,108,197	\$ 40,579,226	\$ 68,687,423

See accompanying notes to financial statements.

VILLAGE OF ROUND LAKE, ILLINOIS

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the Year Ended April 30, 2011

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants	Capital Grants
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 1,992,808	\$ 875,189	\$ -	\$ -
Public safety	3,323,515	168,031	1,210	-
Public works	1,288,027	-	555,880	145,313
Community development	393,667	-	-	-
Interest	650,833	-	-	-
Total governmental activities	7,648,850	1,043,220	557,090	145,313
Business-Type Activities				
Water and sewer	4,599,859	3,425,087	-	-
Parking lot	66,212	104,355	-	-
Total business-type activities	4,666,071	3,529,442	-	-
TOTAL PRIMARY GOVERNMENT	\$ 12,314,921	\$ 4,572,662	\$ 557,090	\$ 145,313

	Net (Expense) Revenue and Change in Net Assets		
	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
	\$ (1,117,619)	\$ -	\$ (1,117,619)
	(3,154,274)	-	(3,154,274)
	(586,834)	-	(586,834)
	(393,667)	-	(393,667)
	(650,833)	-	(650,833)
	(5,903,227)	-	(5,903,227)
	-	(1,174,772)	(1,174,772)
	-	38,143	38,143
	-	(1,136,629)	(1,136,629)
	(5,903,227)	(1,136,629)	(7,039,856)
General Revenues			
Taxes			
Property	3,614,980	-	3,614,980
Replacement	22,924	-	22,924
Sales	424,446	-	424,446
Income	1,418,053	-	1,418,053
Utility	1,067,115	-	1,067,115
Other	228,331	-	228,331
Impact and traffic fees	28,220	-	28,220
Investment income	18,740	16,319	35,059
Miscellaneous	116,165	56,820	172,985
Total	6,938,974	73,139	7,012,113
CHANGE IN NET ASSETS	1,035,747	(1,063,490)	(27,743)
NET ASSETS, MAY 1	27,072,450	41,642,716	68,715,166
NET ASSETS, APRIL 30	\$ 28,108,197	\$ 40,579,226	\$ 68,687,423

See accompanying notes to financial statements.

VILLAGE OF ROUND LAKE, ILLINOIS

STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
ARISING FROM CASH BASIS

April 30, 2011

	General	Capital Projects	Nonmajor Governmental	Total
ASSETS				
Cash	\$ 5,173,190	\$ 1,075,500	\$ 807,929	\$ 7,056,619
Due from fiduciary funds	149	-	-	149
Advance to other funds	-	-	630,411	630,411
TOTAL ASSETS	\$ 5,173,339	\$ 1,075,500	\$ 1,438,340	\$ 7,687,179
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Payroll withholdings payable	\$ 1,699	\$ -	\$ -	\$ 1,699
Escrow deposits	17,772	-	-	17,772
Advance from other funds	630,411	-	-	630,411
Total liabilities	649,882	-	-	649,882
FUND BALANCES				
Reserved for				
Streets	-	-	518,900	518,900
Working cash	-	-	655,166	655,166
Debt service	-	-	166,133	166,133
Specific purposes	-	1,075,500	98,141	1,173,641
Unreserved	4,523,457	-	-	4,523,457
Total fund balances	4,523,457	1,075,500	1,438,340	7,037,297
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,173,339	\$ 1,075,500	\$ 1,438,340	\$ 7,687,179

See accompanying notes to financial statements.

VILLAGE OF ROUND LAKE, ILLINOIS

RECONCILIATION OF FUND BALANCES ARISING FROM CASH BASIS
OF THE GOVERNMENTAL FUNDS TO THE GOVERNMENTAL ACTIVITIES
IN THE STATEMENT OF NET ASSETS - MODIFIED CASH BASIS

April 30, 2011

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 7,037,297
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	35,548,991
Long-term liabilities, including installment contracts, are not due and payable in the current period and, therefore, are not reported in the governmental funds	<u>(14,478,091)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 28,108,197</u></u>

See accompanying notes to financial statements.

VILLAGE OF ROUND LAKE, ILLINOIS

STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN FUND BALANCES - CASH BASIS

For the Year Ended April 30, 2011

	General	Capital Projects	Nonmajor Governmental	Total
REVENUES COLLECTED				
Taxes	\$ 3,571,468	\$ 241,825	\$ 868,802	\$ 4,682,095
Intergovernmental	2,094,964	38,200	662,993	2,796,157
Licenses and permits	132,145	-	-	132,145
Fines	170,389	-	-	170,389
Charges for service	547,716	-	-	547,716
Impact fees	-	28,220	-	28,220
Recapture fees	-	-	-	-
Investment income	11,608	5,406	1,726	18,740
Miscellaneous	309,135	-	-	309,135
Total revenues collected	6,837,425	313,651	1,533,521	8,684,597
EXPENDITURES PAID				
Current				
General government	1,614,543	25,366	33,909	1,673,818
Public safety	3,178,471	-	-	3,178,471
Public works	799,965	-	79,812	879,777
Community development	384,421	-	-	384,421
Capital outlay	136,894	252,902	432,397	822,193
Debt service				
Principal retirement	-	-	535,000	535,000
Interest and fiscal charges	-	-	598,003	598,003
Total expenditures paid	6,114,294	278,268	1,679,121	8,071,683
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	723,131	35,383	(145,600)	612,914
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	384,231	384,231
Transfers (out)	(375,000)	-	(9,231)	(384,231)
Total other financing sources (uses)	(375,000)	-	375,000	-
NET CHANGE IN FUND BALANCES	348,131	35,383	229,400	612,914
FUND BALANCES, MAY 1	4,175,326	1,040,117	1,208,940	6,424,383
FUND BALANCES, APRIL 30	\$ 4,523,457	\$ 1,075,500	\$ 1,438,340	\$ 7,037,297

See accompanying notes to financial statements.

VILLAGE OF ROUND LAKE, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES
COLLECTED, EXPENDITURES PAID AND CHANGES IN FUND BALANCES -
CASH BASIS - TO THE GOVERNMENTAL ACTIVITIES IN
THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the Year Ended April 30, 2011

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 612,914
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	672,437
Proceeds from the disposal of capital assets is reported in governmental funds, but gain or loss on the disposal of capital assets is calculated and reported in the statement of activities	(750)
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Depreciation	(731,024)
Amortization	(52,830)
The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	<u>535,000</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 1,035,747</u></u>

See accompanying notes to financial statements.

VILLAGE OF ROUND LAKE, ILLINOIS

STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS
ARISING FROM MODIFIED CASH BASIS
PROPRIETARY FUNDS

April 30, 2011

	Water and Sewer	Nonmajor Enterprise Fund	Total
ASSETS			
Cash and investments	\$ 7,021,883	\$ 176,363	\$ 7,198,246
Capital assets not being depreciated	194,402	-	194,402
Capital assets (net of accumulated depreciation)	34,408,851	-	34,408,851
 Total assets	 41,625,136	 176,363	 41,801,499
LIABILITIES			
Current liabilities			
Other liabilities	36,952	-	36,952
Noncurrent liabilities			
Due within one year	105,000	9,147	114,147
Due within more than one year	1,060,000	11,174	1,071,174
 Total liabilities	 1,201,952	 20,321	 1,222,273
NET ASSETS			
Invested in capital assets, net of related debt	33,438,253	-	33,438,253
Unrestricted	6,984,931	156,042	7,140,973
 TOTAL NET ASSETS	 \$ 40,423,184	 \$ 156,042	 \$ 40,579,226

See accompanying notes to financial statements.

VILLAGE OF ROUND LAKE, ILLINOIS

STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN NET ASSETS - MODIFIED CASH BASIS
PROPRIETARY FUNDS

For the Year Ended April 30, 2011

	Water and Sewer Fund	Nonmajor Enterprise Fund	Total
OPERATING REVENUES			
Charges for services	\$ 3,425,087	\$ 104,355	\$ 3,529,442
Miscellaneous	56,820	-	56,820
Total operating revenues	<u>3,481,907</u>	<u>104,355</u>	<u>3,586,262</u>
OPERATING EXPENSES			
Operations	<u>3,356,011</u>	<u>65,145</u>	<u>3,421,156</u>
Total operating expenses	<u>3,356,011</u>	<u>65,145</u>	<u>3,421,156</u>
OPERATING INCOME			
BEFORE DEPRECIATION	125,896	39,210	165,106
Depreciation	<u>1,160,303</u>	<u>-</u>	<u>1,160,303</u>
OPERATING INCOME (LOSS)	<u>(1,034,407)</u>	<u>39,210</u>	<u>(995,197)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	16,172	147	16,319
Interest expense	<u>(83,545)</u>	<u>(1,067)</u>	<u>(84,612)</u>
Total nonoperating revenues (expenses)	<u>(67,373)</u>	<u>(920)</u>	<u>(68,293)</u>
CHANGE IN NET ASSETS	(1,101,780)	38,290	(1,063,490)
NET ASSETS, MAY 1	<u>41,524,964</u>	<u>117,752</u>	<u>41,642,716</u>
NET ASSETS, APRIL 30	<u>\$ 40,423,184</u>	<u>\$ 156,042</u>	<u>\$ 40,579,226</u>

See accompanying notes to financial statements.

VILLAGE OF ROUND LAKE, ILLINOIS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

For the Year Ended April 30, 2011

	Water and Sewer Fund	Nonmajor Enterprise Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 3,490,969	\$ 104,355	\$ 3,595,324
Payments to suppliers	(3,356,011)	(65,145)	(3,421,156)
Net cash from operating activities	134,958	39,210	174,168
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Due from other funds	4,873	-	4,873
Net cash from noncapital financing activities	4,873	-	4,873
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital assets purchased	(190,224)	-	(190,224)
Bond proceeds	1,165,000	-	1,165,000
Payment to escrow agent	(1,135,000)	-	(1,135,000)
Bond principal payments	(90,000)	-	(90,000)
Note principal payments	-	(8,767)	(8,767)
Bond interest payments	(83,545)	-	(83,545)
Note interest payments	-	(1,067)	(1,067)
Net cash from capital and related financing activities	(333,769)	(9,834)	(343,603)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	16,172	147	16,319
Net cash from investing activities	16,172	147	16,319
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
	(177,766)	29,523	(148,243)
CASH AND CASH EQUIVALENTS, MAY 1			
	7,199,649	146,840	7,346,489
CASH AND CASH EQUIVALENTS, APRIL 30			
	\$ 7,021,883	\$ 176,363	\$ 7,198,246
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ (1,034,407)	\$ 39,210	\$ (995,197)
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation	1,160,303	-	1,160,303
Other liabilities	9,062	-	9,062
NET CASH FROM OPERATING ACTIVITIES	\$ 134,958	\$ 39,210	\$ 174,168
NONCASH TRANSACTIONS			
Developer contributions	\$ -	\$ -	\$ -
TOTAL NONCASH TRANSACTIONS	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

VILLAGE OF ROUND LAKE, ILLINOIS

STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS
ARISING FROM MODIFIED CASH BASIS
FIDUCIARY FUNDS

April 30, 2011

	Pension Trust Fund	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 245,816	\$ 1,496,647
Investments		
U.S. Treasury obligations	296,474	-
U.S. agency obligations	1,789,972	-
Money market mutual funds	70,426	-
Mutual funds	1,998,835	-
Life insurance contracts	79,949	-
	<u>4,481,472</u>	<u>\$ 1,496,647</u>
LIABILITIES		
Deposits payable	-	\$ 48,352
Due to other funds	-	149
Other payables	-	1,448,146
	<u>-</u>	<u>\$ 1,496,647</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	<u>\$ 4,481,472</u>	

See accompanying notes to financial statements.

VILLAGE OF ROUND LAKE, ILLINOIS

STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN NET ASSETS - MODIFIED CASH BASIS
PENSION TRUST FUND

For the Year Ended April 30, 2011

ADDITIONS	
Contributions - employer	\$ 294,349
Contributions - employee	152,750
Contributions - other	<u>901</u>
Total contributions	<u>448,000</u>
Investment income	
Net appreciation in fair value of investments	351,197
Interest earned on investments	<u>81,895</u>
Total investment income	433,092
Less investment expense	<u>(16,326)</u>
Net investment income	<u>416,766</u>
Total additions	<u>864,766</u>
DEDUCTIONS	
Benefits and refunds	
Retirement pension	208,562
Disability pension	77,721
Refund of contribution	105,180
Administrative	<u>38,047</u>
Total deductions	<u>429,510</u>
NET INCREASE	435,256
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	
May 1	<u>4,046,216</u>
April 30	<u><u>\$ 4,481,472</u></u>

See accompanying notes to financial statements.

VILLAGE OF ROUND LAKE, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Round Lake, Illinois (the Village) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)), except as described in Note 1d. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Village's accounting policies are described below.

a. Reporting Entity

The Village is a body corporate and politic established under Illinois Compiled Statutes (ILCS) governed by an elected Mayor/Board of Trustees. These financial statements present the Village and its component units as required by GAAP. The following component units have all been blended into the Village's reporting entity since, while governed by boards appointed by the Trustees of the Village, the component units are not legally separate entities as defined by ILCS: Police Pension Employees Retirement System.

b. Fund Accounting

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

Funds are classified into the following categories: governmental, proprietary and fiduciary.

Governmental funds are used to account for all or most of the Village's general activities, including the collection and disbursement of earmarked monies (special revenue funds) and the acquisition or construction of capital assets (capital projects funds) and the servicing of general long-term debt (debt service funds) and the management of funds held in trust that can be used for governmental services (permanent fund). The general fund is used to account for all activities of the Village not accounted for in some other fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds). Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Government Entities That Use Proprietary Fund Accounting*, the Village has chosen to apply all GASB pronouncements as well as those FASB pronouncements issued on or before November 30, 1989 to account for its enterprise funds.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. The Village utilizes a pension trust fund which is generally used to account for assets that the Village holds in a fiduciary capacity and agency funds which are used to account for funds held by the Village in an agent capacity.

c. Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

The Village reports the following major governmental funds:

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

The Capital Projects Fund is used to account for village-wide capital projects.

The Village reports the following major proprietary funds:

The Water and Sewer Fund accounts for the provision of water and wastewater services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund.

The Village reports a pension trust fund as a fiduciary fund to account for the Police Pension Fund and agency funds for special service areas and impact fees.

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide, proprietary and fiduciary financial statements are reported using the economic resources measurement focus and using the modified cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Revenues are recorded at the time of receipt by the Village. Expenses are recorded when the funds are disbursed. Depreciation of capital assets has also been shown on the government-wide financial statements. Payroll withholdings from employees and escrow deposits are reflected on the statement of net assets and balance sheets as liabilities. Other liabilities are primarily credit balances in customer accounts. Finally, debt payable and the unamortized loss on refunding related to capital assets are reflected as liabilities on the statement of net assets and proprietary fund balance sheet. Accordingly, the financial statements are not intended to present financial position and changes in financial position in conformity with accounting principles generally accepted in the United States of America.

Governmental fund financial statements are reported using the current financial resources measurement focus and the cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Revenues are recorded at the time of receipt by the Village. Expenditures are recorded when the funds are disbursed. Accordingly, the financial statements are not intended to present financial position and changes in financial position in conformity with accounting principles generally accepted in the United States of America.

VILLAGE OF ROUND LAKE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash and Investments

For purposes of the statement of cash flows, the Village considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, nonnegotiable certificates of deposit and investments with a maturity of less than one year at date of purchase are stated at amortized cost. All other investments are stated at fair value. All investments of the pension trust fund are stated at fair value. Fair value has been based on quoted market prices at April 30, 2011 for debt and equity securities.

f. Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the balance sheet. Short-term interfund loans, if any, are classified as “interfund receivables/payables.” Long-term portions are classified as “advances from other funds” or “advances to other funds.”

g. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges and similar items), are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost in excess of \$5,000 (except for land which has no threshold) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value or service capacity of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	20-45
Equipment and vehicles	5-10
Water and sewer infrastructure	30-50
Other infrastructure	10-50

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Principal payments on long-term debt are recorded as expenditures in the fund financial statements but as a reduction of a liability on the government-wide and proprietary fund statements.

i. Fund Balance/Net Assets

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance, if any, represent tentative management plans that are subject to change. In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose. None of the Village's assets are restricted based on the Village's own enabling legislation. Invested in capital assets, net of related debt is the book value of the capital assets less the principal balance of any long-term debt issued to construct or acquire the capital assets.

2. DEPOSITS AND INVESTMENTS

The Village's investment policy authorizes the Village to invest in debt securities guaranteed by the United States (explicitly or implicitly), interest-bearing savings and money market accounts (also interest-bearing time deposits if FDIC insured and credit if main office is located in Illinois), interest-bearing certificates of deposit and Illinois Funds (a money market fund created by the State legislature under the control of the State Treasurer that maintains a \$1 share value).

It is the policy of the Village to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all state and local statutes governing the investment of public funds using "good judgment and care" for managing the overall portfolio. The primary objective of the policy is safety (preservation of capital and protection of investment principal), liquidity and yield.

The Village maintains a cash pool that is available for use by all funds. In addition, cash and investments are separately held by several of the Village's funds.

VILLAGE OF ROUND LAKE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village's investment policy requires pledging of collateral at a minimum of 110% of all bank balances in excess of federal depository insurance with the collateral held by an agent of the Village in the Village's name. The Village had uninsured deposits of \$417,760 at one financial institution collateralized with securities held by the pledging financial institution out of a total bank balance of \$12,645,733.

Village Investments

The following table presents the investments and maturities of the Village's debt securities as of April 30, 2011:

	Fair Value	Investment Maturities in Years			
		Less Than 1	1-5	6-10	Greater Than 10
Illinois Funds	\$ 1,317,739	\$ 1,317,739	\$ -	\$ -	\$ -
TOTAL	\$ 1,317,739	\$ 1,317,739	\$ -	\$ -	\$ -

In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to meet daily cash flow requirements for ongoing operations in order to maximize yield on longer term investments by avoiding having to sell securities on the open market before maturity and by investing operating funds in shorter term securities, money market mutual funds or external investment pools.

The Village limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in Illinois Funds. Illinois Funds is rated AAA.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Village's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party custodian evidenced by safekeeping receipts.

Concentration of credit risk is the risk that the Village has too high a percentage of their investments invested in one type of investment. The Village's investment policy requires diversification of investment to avoid unreasonable risk.

VILLAGE OF ROUND LAKE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

Village Investments (Continued)

Police Pension Investments

The Police Pension Fund's investment policy authorizes the fund to invest in instruments allowable under Illinois statutes and limits the equity investments to 35% of the net asset market value.

The following table presents the investments and maturities of the Police Pension Fund's debt securities as of April 30, 2011:

	Fair Value	Investment Maturities in Years			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Treasury	\$ 296,474	\$ 101,774	\$ -	\$ 194,700	\$ -
U.S. agency securities	1,789,972	-	-	-	1,789,972
Money market mutual funds	70,426	70,426	-	-	-
TOTAL	\$ 2,156,872	\$ 172,200	\$ -	\$ 194,700	\$ 1,789,972

In accordance with its investment policy, the Police Pension Fund limits its exposure to interest rate risk by structuring the portfolio to meet daily cash flow requirements for ongoing operations in order to maximize yield on longer term investments by avoiding having to sell securities on the open market before maturity and by investing operating funds in shorter term securities, money market mutual funds or external investment pools. The Police Pension Fund's investment policy requires that securities purchased will not have a maturity of more than one year unless matched to a specific cash flow.

The Police Pension Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in investments approved by the Illinois Pension Code. The U.S. agency obligations and money market mutual funds are rated AAA.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Police Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Police Pension Fund's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party custodian approved by the Police Pension Fund Board and evidenced by safekeeping receipts.

Concentration of credit risk is the risk that the Police Pension Fund has too high a percentage of their investments invested in one type of investment. The Police Pension Fund's investment policy requires diversification of investment to avoid unreasonable risk.

VILLAGE OF ROUND LAKE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

3. PROPERTY TAX CALENDAR

The following information gives significant dates on the property tax calendar of the Village.

- The property tax lien date is January 1;
- Property taxes are due to the County Collector in two installments, June 1 and September 1; and
- Property taxes for 2010 were levied in December 2010 and are normally received monthly beginning in June and generally ending by December 2011.

4. CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year ended April 30, 2011 was as follows:

	Balances May 1	Increases	Decreases	Balances April 30
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 11,353,950	\$ -	\$ -	\$ 11,353,950
Construction in progress	386,554	443,007	309,434	520,127
Total capital assets not being depreciated	<u>11,740,504</u>	<u>443,007</u>	<u>309,434</u>	<u>11,874,077</u>
Capital assets being depreciated				
Buildings	9,865,131	-	-	9,865,131
Land improvements	877,587	-	-	877,587
Vehicles and equipment	1,870,175	72,364	84,645	1,857,894
Infrastructure	15,409,055	466,500	-	15,875,555
Total capital assets being depreciated	<u>28,021,948</u>	<u>538,864</u>	<u>84,645</u>	<u>28,476,167</u>
Less accumulated depreciation for				
Buildings	1,161,099	227,425	-	1,388,524
Land improvements	375,465	51,752	-	427,217
Vehicles and equipment	1,519,419	139,001	83,895	1,574,525
Infrastructure	1,098,141	312,846	-	1,410,987
Total accumulated depreciation	<u>4,154,124</u>	<u>731,024</u>	<u>83,895</u>	<u>4,801,253</u>
Total capital assets being depreciated, net	<u>23,867,824</u>	<u>(192,160)</u>	<u>750</u>	<u>23,674,914</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 35,608,328</u>	<u>\$ 250,847</u>	<u>\$ 310,184</u>	<u>\$ 35,548,991</u>

VILLAGE OF ROUND LAKE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

Governmental Activities (Continued)

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

GOVERNMENTAL ACTIVITIES

General government	\$ 281,757
Public safety	117,842
Public works	327,928
Community development	<u>3,497</u>
 TOTAL	 <u>\$ 731,024</u>

Business-Type Activities

Business-type capital asset activity for the year ended April 30, 2011 was as follows:

	Balances May 1	Increases	Decreases	Balances April 30
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Construction in progress	\$ 11,076	\$ 153,326	\$ -	\$ 164,402
Land	30,000	-	-	30,000
Total capital assets not being depreciated	<u>41,076</u>	<u>153,326</u>	<u>-</u>	<u>194,402</u>
Capital assets being depreciated				
Infrastructure	42,185,664	-	-	42,185,664
Vehicles and equipment	586,641	36,898	-	623,539
Total capital assets being depreciated	<u>42,772,305</u>	<u>36,898</u>	<u>-</u>	<u>42,809,203</u>
Less accumulated depreciation for				
Infrastructure	6,850,347	1,053,834	-	7,904,181
Vehicles and equipment	389,702	106,469	-	496,171
Total accumulated depreciation	<u>7,240,049</u>	<u>1,160,303</u>	<u>-</u>	<u>8,400,352</u>
Total capital assets being depreciated, net	<u>35,532,256</u>	<u>(1,123,405)</u>	<u>-</u>	<u>34,408,851</u>
 BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 35,573,332</u>	<u>\$ (970,079)</u>	<u>\$ -</u>	<u>\$ 34,603,253</u>

VILLAGE OF ROUND LAKE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT

A summary of long-term debt of the Village for the year ended April 30, 2011 consisted of the following:

a. General Obligation Bonds

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
General Obligation (Alternate Revenue Source) Bonds, Series 2003C, are due in annual installments ranging from \$80,000 to \$525,000 through January 1, 2021, interest rates range from 2.375% to 4.80%, and payments are due semiannually on January 1 and July 1.	Water and Sewer	\$ 1,225,000	\$ -	\$ 1,225,000	\$ -	\$ -
General Obligation (Alternate Revenue Source) Bonds, Series 2005, are due in annual installments ranging from \$35,000 to \$275,000 through January 1, 2018, interest rates range from 2.60% to 4.10%, and payments are due semiannually on January 1 and July 1.	Utility Tax	1,859,000	-	200,000	1,659,000	205,000
General Obligation (Alternate Revenue Source) Refunding Bonds, Series 2010A, are due in annual installments ranging from \$50,000 to \$1,320,000 through January 1, 2029, interest rates range from 3.60% to 4.65%, and payments are due semiannually on January 1 and July 1.	Utility Tax	9,100,000	-	-	9,100,000	-
General Obligation (Alternate Revenue Source) Refunding Bonds, Series 2010B, are due in annual installments ranging from \$105,000 to \$255,000 through January 1, 2021, interest rates range from 2.25% to 3.60%, and payments are due semiannually on January 1 and July 1.	Utility Tax	1,260,000	-	105,000	1,155,000	105,000

VILLAGE OF ROUND LAKE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

a. General Obligation Bonds (Continued)

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
General Obligation (Alternate Revenue Source) Refunding Bonds, Series 2010C, are due in annual installments ranging from \$105,000 to \$135,000 through January 1, 2021, interest rates range from 2.00% to 3.70%, and payments are due semiannually on January 1 and July 1.	Water and Sewer	\$ -	\$ 1,165,000	\$ -	\$ 1,165,000	\$ 105,000
TOTAL		\$ 13,444,000	\$ 1,165,000	\$ 1,530,000	\$ 13,079,000	\$ 415,000

b. Certificates

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
General Obligation Debt Certificates, Series 2003D, are due in annual installments ranging from \$205,000 to \$515,000 through January 1, 2022, interest rates range from 4.40% to 5.30%, and payments are due semiannually on January 1 and July 1.	2003 Bonds Debt Service	\$ 3,610,000	\$ -	\$ 230,000	\$ 3,380,000	\$ 235,000
TOTAL		\$ 3,610,000	\$ -	\$ 230,000	\$ 3,380,000	\$ 235,000

c. Notes Payable

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
Note payable in the amount of \$80,000, dated June 2003, interest rate of 4.25%, with a final maturity date of June 17, 2013.	Parking Lot Fees	\$ 29,089	\$ -	\$ 8,767	\$ 20,322	\$ 9,147
TOTAL		\$ 29,089	\$ -	\$ 8,767	\$ 20,322	\$ 9,147

VILLAGE OF ROUND LAKE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

d. Long-Term Liabilities Summarized

Transactions for the year ended April 30, 2011 are summarized as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental Activities					
General obligation bonds	\$ 12,219,000	\$ -	\$ 305,000	\$ 11,914,000	\$ 310,000
Debt certificates	3,610,000	-	230,000	3,380,000	235,000
Unamortized loss on refunding	(868,739)	-	(52,830)	(815,909)	-
Total governmental activities	14,960,261	-	482,170	14,478,091	545,000
Business-Type Activities					
General obligation bonds	1,225,000	1,165,000	1,225,000	1,165,000	105,000
Notes payable	29,089	-	8,767	20,322	9,147
Total business-type activities	1,254,089	1,165,000	1,233,767	1,185,322	114,147
TOTAL GOVERNMENT	\$ 16,214,350	\$ 1,165,000	\$ 1,715,937	\$ 15,663,413	\$ 659,147

e. Debt Service to Maturity

The annual requirements to amortize all debt outstanding of the Village as of April 30, 2011 are as follows:

Bonds

Fiscal Year	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2012	\$ 310,000	\$ 490,348	\$ 800,348	\$ 105,000	\$ 33,926	\$ 138,926
2013	325,000	479,785	804,785	105,000	30,383	135,383
2014	335,000	468,710	803,710	110,000	28,283	138,283
2015	344,000	457,685	801,685	110,000	25,808	135,808
2016	355,000	445,740	800,740	115,000	23,333	138,333
2017-2021	2,435,000	2,006,403	4,441,403	620,000	66,339	686,339
2022-2026	4,175,000	1,408,602	5,583,602	-	-	-
2027-2029	3,635,000	342,958	3,977,958	-	-	-
TOTAL	\$11,914,000	\$ 6,100,231	\$ 18,014,231	\$ 1,165,000	\$ 208,072	\$ 1,373,072

VILLAGE OF ROUND LAKE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

e. Debt Service to Maturity (Continued)

Notes Payable

Fiscal Year	Principal	Interest	Total
2012	\$ 9,147	\$ 687	\$ 9,834
2013	9,544	290	9,834
2014	1,631	8	1,639
TOTAL	\$ 20,322	\$ 985	\$ 21,307

Certificates

Fiscal Year	Principal	Interest	Total
2012	\$ 235,000	\$ 170,993	\$ 405,993
2013	245,000	160,183	405,183
2014	255,000	148,668	403,668
2015	265,000	136,300	401,300
2016	275,000	123,050	398,050
2017	290,000	109,025	399,025
2018-2022	1,815,000	308,025	2,123,025
TOTAL	\$ 3,380,000	\$ 1,156,244	\$ 4,536,244

f. Special Service Area Debt without Village Obligation

Special Service Area #1 - The Village issued special tax bonds in the fiscal year ended 2003 in the amount of \$12,600,000 for improvements within SSA #1. During the fiscal year ended 2007, the Village, as agent for Lakewood Grove Special Service Area #1 issued Special Tax Refunding Bonds, Series 2007 with a face value of \$13,000,000, bearing interest ranging from 5.00% to 9.00%. A portion of the sale of the bonds has been deposited into an escrow account to be used to advance refund the Prior SSA One Bonds. These bonds are payable by tax levy from the Special Service Area #1 only, and are not Village obligations. SSA One Bonds outstanding at April 30, 2011 were \$12,222,000, and Refunding Bonds outstanding at April 30, 2011 were \$12,545,000.

5. LONG-TERM DEBT (Continued)

f. Special Service Area Debt without Village Obligation (Continued)

Special Service Area #3 - The Village issued special tax bonds in the fiscal year ended 2004 in the amount of \$3,570,000 for improvements within SSA #3. During the fiscal year ended 2007, the Village, as agent for Lakewood Grove Special Service Area #3 issued Special Tax Refunding Bonds, Series 2007 with a face value of \$4,040,000 bearing interest ranging from 4.70% to 5.50%. A portion of the sale of the bonds has been deposited into an escrow account to be used to advance refund Prior SSA Three Bonds. These bonds are payable by tax levy from the Special Service Area #3 only, and are not Village obligations. SSA Three Bonds outstanding at April 30, 2011 were \$3,430,000, and Refunding Bonds outstanding at April 30, 2011 were \$3,843,000.

Special Service Area #4 - The Village issued special tax bonds in the fiscal year ended 2004 in the amount of \$5,040,000 for improvements within SSA #4. During the fiscal year ended 2007, the Village, as agent for Lakewood Grove Special Service Area #4 issued Special Tax Refunding Bonds, Series 2007 with a face value of \$5,750,000 and an interest rate of 6.75%. A portion of the sale of the bonds has been deposited into an escrow account to be used to advance refund Prior SSA Four Bonds. These bonds are payable by tax levy from the Special Service Area #4 only, and are not Village obligations. SSA Four Bonds outstanding at April 30, 2011 were \$4,884,000, and Refunding Bonds outstanding at April 30, 2011 were \$5,457,000.

These Special Service Area Bonds are treated as special service area no commitment debt without Village obligation. The Village acts only as an agent for the property owners in collecting property taxes and forwarding payments to the bond paying agent. Transactions are recorded in an agency fund. The bonds are not reflected in long-term debt.

g. Refunding

On December 21, 2010, the Village issued \$1,165,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2010C, dated December 15, 2010, with principal maturing January 1, 2012 - 2017, ranging from \$105,000 to \$135,000, interest payable semiannually each January 1 and July 1, commencing July 1, 2011 at rates of 2.00% to 3.70%. \$1,138,133 of the proceeds of the bonds, including reoffering premium, have been deposited into an irrevocable trust to advance refund, through an in-substance defeasance, \$1,135,000 of the Series 2003C General Obligation Bonds (Alternate Revenue Source). Through the refunding, the Village decreased its overall debt service by \$58,659 and had an economic gain of \$48,843. This gain is not recognized in the modified cash basis financial statements.

VILLAGE OF ROUND LAKE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

6. INTERFUND ACTIVITY

Interfund transfers during the year ended April 30, 2011 consisted of the following:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ -	\$ 375,000
Nonmajor Governmental Funds	384,231	9,231
TOTAL	<u>\$ 384,231</u>	<u>\$ 384,231</u>

Significant transfers between funds for the year ended April 30, 2011 consist of the following:

- \$375,000 transferred from the General Fund to Nonmajor Governmental Funds to support debt service payments for the 2010 debt series. This transfer will not be repaid.

Interfund payables and receivables at April 30, 2011 consisted of the following:

	<u>Payable Fund</u>	<u>Receivable Fund</u>
General Fund	\$ -	\$ 149
Agency Funds	149	-
TOTAL	<u>\$ 149</u>	<u>\$ 149</u>

Interfund payables and receivables at April 30, 2011 consist of the following:

- \$149 payable to the General Fund from Agency Funds represents interest earned on cash balances in those funds. Repayment is expected within one year.

Interfund advances at April 30, 2011 consisted of the following:

	<u>Payable Fund</u>	<u>Receivable Fund</u>
General Fund	\$ 630,411	\$ -
Nonmajor Governmental Funds	-	630,411
TOTAL	<u>\$ 630,411</u>	<u>\$ 630,411</u>

- \$630,411 advanced to the General Fund from a Nonmajor Governmental Fund representing a loan supported by general revenues. As of April 30, 2011, no repayment schedule has been established.

7. RISK MANAGEMENT

The Village purchases health, dental, vision and life insurance from various insurance brokers for the benefit of its employees.

Illinois Municipal League Risk Management Association

The Village participates in the Illinois Municipal League Risk Management Association (IMLRMA). IMLRMA is an organization of Illinois municipalities and special districts in Northeastern Illinois which have formed an association under the Illinois Intergovernmental Cooperations Statute to pool its risk management needs. IMLRMA administers a mix of self-insurance and commercial insurance coverages, property/casualty and workers' compensation claim administration and litigation management services, unemployment claim administration, extensive risk management/loss control consulting and training programs and a risk information system and financial reporting service for its members.

Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The Village does not exercise any control over the activities of IMLRMA beyond its representation on the Board of Directors. Initial contributions are determined each year based on the individual member's eligible revenue as defined in the bylaws of IMLRMA and experience modification factors based on past member loss experience. Each member assumes the first \$1,000 of each occurrence, and IMLRMA has self-insurance retentions at various amounts above that level. Members have a contractual obligation to fund any deficit of IMLRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits. The Village's payments to IMLRMA are displayed on the financial statements as expenditures/expenses in the appropriate funds. The coverages provided by IMLRMA are generally consistent with the coverages in the prior year. The Village incurred no losses in excess of coverages for each of the past three fiscal years.

8. COMMITMENTS AND CONTINGENCIES

a. Litigation

The Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

b. Grants

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

VILLAGE OF ROUND LAKE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

8. COMMITMENTS AND CONTINGENCIES (Continued)

c. Solid Waste Agency of Lake County (SWALCO)

The Village's contract with SWALCO provides that each member is liable for its proportionate share of any costs arising from defaults in payment obligations by other members.

d. Construction Contracts

The Village has entered into contracts for the construction or renovation of various facilities as follows:

	Purpose	Expended to Date	Total Commitment
Hart Road Engineering Phase 1	Phase 1 engineering for Hart Road between Route 134 and Cedar Lake Road.	\$ 121,942	\$ 184,668
MacGillis Drive Bridge Engineering Phase 1	Engineering service for replacement of MacGillis bridge.	-	110,000
Lawn Terrace Road & Watermain Project	Roadway and watermain improvement on Lawn Terrace.	544,982	569,304
Maple Lane Road & Watermain Project Engineering	Roadway and watermain improvement on Maple Lane.	17,604	40,100

9. JOINT VENTURES

Solid Waste Agency of Lake County (SWALCO)

Description of Joint Venture

The Village is a member of SWALCO, which consists of 42 municipalities. SWALCO is a municipal corporation and public body politic and corporate established pursuant to the Constitution of the State of Illinois and the Intergovernmental Cooperation Act of the State of Illinois, as amended (the Act). SWALCO is empowered under the Act to plan, construct, finance, operate and maintain a solid waste disposal system to serve its members.

The members form a contiguous geographic service area, which is located in Lake County. Under the Agency Agreement, additional members may join SWALCO upon the approval of each member.

9. JOINT VENTURES (Continued)

Solid Waste Agency of Lake County (SWALCO) (Continued)

Description of Joint Venture (Continued)

SWALCO is governed by a Board of Directors, which consists of one appointed representative from each member municipality. Each Director has an equal vote. The officers of SWALCO are appointed by the Board of Directors. The Board of Directors determines the general policy of SWALCO; makes all appropriations; approves contracts; adopts resolutions providing for the issuance of bonds or notes by SWALCO; adopts bylaws, rules and regulations; and exercises such powers and performs such duties as may be prescribed in the Agency Agreement or the bylaws.

SWALCO is an oversight advisory board providing long-range planning services to member municipalities. The Village is a participant in SWALCO, but no agreement has been reached as to services to be provided. Payments to SWALCO during the current fiscal year totaled \$5,894.

Complete financial statements can be obtained from the Solid Waste Agency of Lake County, 1300 N. Skokie Highway, Suite 103, Gurnee, Illinois 60031.

The Village does not have an equity interest in SWALCO at April 30, 2011.

CenCom E-911 Joint Emergency Telephone System

The Village is a member of CenCom E-911 Joint Emergency Telephone System. The Village's contribution to CenCom is reflected as an operating disbursement of the general fund.

The purpose of the joint agreement is to provide joint and mutual operation of an E-911 emergency telephone system.

At April 30, 2011, CenCom had eight members. Each member is represented on the Board of Directors, which governs CenCom and establishes the budget.

CenCom is financed by a telephone surcharge. In addition, participating members pay a share of operating costs for dispatching services. Payments to CenCom during the current fiscal year totaled \$249,765. The entity is not considered a component unit of the Village.

10. EMPLOYEE RETIREMENT SYSTEMS

a. Plan Descriptions and Provisions

The Village contributes to three defined benefit pension plans (collectively referred to as the Pension Plans), the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; the Sheriff's Law Enforcement Personnel Fund (SLEP), which is administered by IMRF and is also an agent multiple-employer public employee retirement system; and the Police Pension Plan, which is a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for all three plans are governed by ILCS and can only be amended by the Illinois General Assembly. The Pension Plans do not issue separate reports on the plans. However, IMRF issues a publicly available report that includes financial statements and required supplementary information for the plan as a whole, but not for individual employers. Those reports can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Illinois Municipal Retirement Fund

All employees (other than those covered by SLEP or the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after eight years of service. IMRF also provides death and disability benefits.

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 4.5% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund the coverage of its own employees in the system, using the actuarial basis specified by state statute (entry-age normal). The employer required annual contribution rate for the calendar year 2010 was 10.87% of covered payroll. The Village's contribution for the calendar year 2010 was 10.76% of covered payroll.

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions and Provisions (Continued)

Sheriff's Law Enforcement Personnel

Sheriff's Law Enforcement Personnel (SLEP) having accumulated at least 20 years of SLEP service and terminating IMRF participation or after January 1, 1988, may elect to retire at or after age 50 with no early retirement discount penalty. SLEP members meeting these two qualifications are entitled to an annual retirement benefit payable monthly for life, in an amount equal to 2 1/2% of their final rate of earnings for each year of credited service up to 20 years, 2.0% of their final earnings rate for the next ten years of credited service and 1.0% for each year thereafter. For SLEP members retiring with less than 20 years of SLEP service, the regular IMRF pension formula applies. SLEP also provides death and disability benefits. These benefit provisions and all other requirements are established by ILCS. Participating members are required to contribute 7.5% of their annual salary to SLEP. The Village is required to contribute the remaining amounts necessary to fund SLEP as specified by statute. The employer required annual contribution rate for the calendar year 2010 was 21.76% of covered payroll. The Village's contribution for the calendar year 2010 was 20.44% of covered payroll.

Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contributions levels are governed by ILCS (Chapter 40 - Article 5/3) and can be amended only by the Illinois legislature. The Village accounts for the Police Pension Plan as a pension trust fund. At April 30, 2010, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	7
Terminated employees entitled to benefits but not yet receiving them	-
Current employees	
Vested	4
Nonvested	18
	<hr/>
TOTAL	<u>29</u>

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions and Provisions (Continued)

Police Pension Plan (Continued)

The following is a summary of the Police Pension Plan as provided for in ILCS.

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.00% of the original pension and 3.00% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or ½ of the change in the Consumer Price Index for the preceding calendar year.

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the Police Pension Plan as actuarially determined by an enrolled actuary. The Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is fully funded by the year 2033. The employer contribution for the fiscal year ended April 30, 2011 was 16.04% of covered payroll.

VILLAGE OF ROUND LAKE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

b. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting: The financial statements are prepared using the modified cash basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee contributions are withheld and the employer contributions are received.

Method Used to Value Investments: Investments are reported at fair value. Investment income is recognized as earned.

Gains and losses on sales and exchanges of fixed-income securities are recognized on the transaction date.

Significant Investments: There were no investments (other than U.S. Government and U.S. Government guaranteed obligations) in any one organization that represents 5% or more of net assets available for benefits.

Related Party Transactions: There were no securities of the employer or any other related parties included in plan assets, including any loans.

Administrative costs for the Police Pension Plan are financed primarily through investment earnings.

c. Annual Pension Cost

Employer contributions have been determined as follows:

	Sheriff's Law Enforcement Personnel	Illinois Municipal Retirement	Police Pension
Actuarial valuation date	December 31, 2008	December 31, 2008	April 30, 2009
Actuarial cost method	Entry-age Normal	Entry-age Normal	Entry-age Normal
Asset valuation method	5 Year Smoothed Market	5 Year Smoothed Market	Market
Amortization method	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll
Amortization period	30 Years, Open	30 Years, Open	24 Years, Closed

VILLAGE OF ROUND LAKE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Annual Pension Cost (Continued)

	Sheriff's Law Enforcement Personnel	Illinois Municipal Retirement	Police Pension
Significant actuarial assumptions			
a) Rate of return on present and future assets	7.50% Compounded Annually	7.50% Compounded Annually	7.00% Compounded Annually
b) Projected salary increase - attributable to inflation	4.00% Compounded Annually	4.00% Compounded Annually	5.50% Compounded Annually
c) Additional projected salary increases - seniority/merit	.40% to 10.00%	.40% to 10.00%	Not Available

Employer annual pension cost (APC) actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the APC and the contributions actually made.

	For Fiscal Year	Sheriff's Law Enforcement Personnel	Illinois Municipal Retirement	Police Pension
Annual pension cost (APC)	2009	\$ 22,793	\$ 178,771	\$ 276,974
	2010	13,167	166,565	342,824
	2011	N/A	167,420	409,081
Actual contribution	2009	\$ 22,793	\$ 178,771	\$ 276,974
	2010	13,167	166,565	239,907
	2011	N/A	165,731	294,349
Percentage of APC contributed	2009	100.00%	100.00%	100.00%
	2010	100.00%	100.00%	69.98%
	2011	N/A	98.99%	71.95%
NPO (asset)	2009	\$ -	\$ -	\$ -
	2010	-	-	102,917
	2011	N/A	1,689	217,649

A net pension obligation (asset) has not been included in the basic financial statements of the Village, as it is not a requirement for cash basis presentation.

VILLAGE OF ROUND LAKE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Annual Pension Cost (Continued)

The NPO (asset) has been calculated as follows as of April 30, 2011:

	Illinois Municipal Retirement	Police Pension
Annual required contributions	\$ 167,420	\$ 406,968
Interest on net pension obligation	-	7,204
Adjustment to annual required contribution	-	(5,091)
Annual pension cost	167,420	409,081
Contributions made	165,731	294,349
Increase (decrease) in net pension obligation	1,689	114,732
Net pension obligation (asset), May 1	-	102,917
NET PENSION OBLIGATION (ASSET), APRIL 30	\$ 1,689	\$ 217,649

Funded Status and Funding Progress: Based on actuarial valuations as of December 31, 2010 and April 30, 2010, the funded status of the plans as of April 30, 2011 was as follows:

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension
Actuarial accrued liability (AAL)	\$ 2,602,860	\$ -	\$ 7,181,102
Actuarial value of plan assets	1,618,945	53,897	4,046,216
Unfunded actuarial accrued liability (UAAL)	983,915	(53,897)	3,134,886
Funded ratio (actuarial value of plan assets/AAL)	62.20%	0.00%	56.35%
Covered payroll (active plan members)	\$ 1,518,888	\$ 98,958	\$ 1,495,709
UAAL as a percentage of covered payroll	64.78%	0.00%	209.59%

11. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described, the Village provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan (the Plan). The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. The Plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the Plan. The Plan does not issue a separate report. The activity of the Plan is reported in the Village's governmental and business-type activities.

VILLAGE OF ROUND LAKE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

b. Benefits Provided

The Village provides pre and post-Medicare postretirement health insurance to retirees, their spouses and dependents (enrolled at time of employee's retirement). To be eligible for benefits, the employee must qualify for retirement under one of the Village's two retirement plans. The retirees pay the blended premium. Upon a retiree becoming eligible for Medicare, the amount payable under the Village's health plan will be reduced by the amount payable under Medicare for those expenses that are covered under both.

c. Membership

At April 30, 2010, membership consisted of:

Retirees and beneficiaries currently receiving benefits	4
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>49</u>
TOTAL	<u>53</u>
 Participating Employers	 <u>1</u>

d. Funding Policy

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

e. Annual OPEB Costs and Net OPEB Obligation

The Village first had an actuarial valuation performed for the Plan as of April 30, 2010 to determine the funded status of the Plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended April 30, 2011. The Village's annual OPEB cost (expense) of \$25,348 was equal to the ARC for the fiscal year, as the transition liability was set at zero as of April 30, 2009. The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for 2011 was as follows (information for the two preceding years is not available as an actuarial valuation was performed for the first time as of April 30, 2010):

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
April 30, 2010	\$ 25,348	\$ 16,333	64.44%	\$ 9,015
April 30, 2011	25,241	17,845	70.70%	16,411

VILLAGE OF ROUND LAKE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation (Continued)

The net OPEB obligation as of April 30, 2011 was calculated as follows:

Annual required contribution	\$ 25,091
Interest on net OPEB obligation	451
Adjustment to annual required contribution	<u>(301)</u>
Annual OPEB cost	25,241
Contributions made	<u>17,845</u>
Increase in net OPEB obligation	7,396
Net OPEB obligation, beginning of year	<u>9,015</u>
NET OPEB OBLIGATION, END OF YEAR	<u>\$ 16,411</u>

A net other postemployment benefit obligation (asset) has not been included in the basic financial statements of the Village, as it is not a requirement for cash basis presentation.

Funded Status and Funding Progress: The funded status of the Plan as of April 30, 2010 was as follows:

Actuarial accrued liability (AAL)	\$ 175,402
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	175,402
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$ 2,911,431
UAAL as a percentage of covered payroll	6.02%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation (Continued)

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

In the April 30, 2010 actuarial valuation, the entry-age normal actuarial cost method was used. The actuarial assumptions included no investment rate of return and an initial healthcare cost trend rate of 8.0% with an ultimate healthcare inflation rate of 6.0%. Both rates include a 3.0% inflation assumption and 5.0% wage inflation assumption. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2010 was 30 years.

12. SUBSEQUENT EVENT

In October 2011, the Village approved the issuance of up to \$3,500,000 in bonds for the purpose of refunding the 2003D bonds.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF ROUND LAKE, ILLINOIS

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CASH BASIS
GENERAL FUND

For the Year Ended April 30, 2011

	Original and Final Budget	Actual
REVENUES COLLECTED		
Property taxes	\$ 3,247,992	\$ 3,571,468
Charges for service	546,700	547,716
Licenses and permits	72,136	132,145
Intergovernmental	1,905,250	2,094,964
Fines	142,400	170,389
Franchise fees	181,100	192,970
Investment income	24,714	11,608
Miscellaneous income	89,014	116,165
	<u>6,209,306</u>	<u>6,837,425</u>
EXPENDITURES PAID		
Current		
General government	1,776,650	1,614,543
Public safety	2,918,373	3,178,471
Public works	798,114	799,965
Community development	395,987	384,421
Capital outlay	304,196	136,894
	<u>6,193,320</u>	<u>6,114,294</u>
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	15,986	723,131
OTHER FINANCING SOURCES (USES)		
Transfers (out)	<u>(375,000)</u>	<u>(375,000)</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (359,014)</u></u>	348,131
FUND BALANCE, MAY 1		<u>4,175,326</u>
FUND BALANCE, APRIL 30		<u><u>\$ 4,523,457</u></u>

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS
 SCHEDULE OF FUNDING PROGRESS
 ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2011

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2005	\$ 2,314,734	\$ 2,506,222	92.36%	\$ 191,488	\$ 1,339,086	14.30%
2006	2,358,720	2,678,374	88.07%	319,654	1,520,757	21.02%
2007	2,242,161	2,660,046	84.29%	417,885	1,710,825	24.43%
2008	2,055,947	2,846,652	72.22%	790,705	1,864,145	42.42%
2009	1,384,125	2,401,393	57.64%	1,017,268	1,699,152	59.87%
2010	1,618,945	2,602,860	62.20%	983,915	1,518,888	64.78%

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
SHERIFF'S LAW ENFORCEMENT PERSONNEL PLAN

April 30, 2011

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2005	NA	NA	NA	NA	NA	NA
2006	\$ 22,715	\$ 195,683	11.61%	\$ 172,968	\$ 82,272	210.24%
2007	41,050	184,604	22.24%	143,554	90,961	157.82%
2008	64,775	232,612	27.85%	167,837	96,910	173.19%
2009	49,815	-	0.00%	(49,815)	98,958	0.00%
2010	53,897	-	0.00%	(53,897)	98,958	0.00%

NA - The Village began participation in the plan in calendar year 2006.

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
POLICE PENSION FUND

April 30, 2011

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2005	\$ 2,585,482	\$ 4,499,338	57.46%	\$ 1,913,856	\$ 1,013,558	188.83%
2006	2,911,917	5,036,023	57.82%	2,124,106	1,133,899	187.33%
2007	3,246,110	4,924,860	65.91%	1,678,750	1,049,875	159.90%
2008	3,615,290	5,893,880	61.34%	2,278,590	1,250,304	182.24%
2009	3,382,221	6,581,524	51.39%	3,199,303	1,303,735	245.40%
2010	4,046,216	7,181,102	56.35%	3,134,886	1,495,709	209.59%

Note: The actuarial valuations performed by the State of Illinois Division of Insurance were used for fiscal years 2007 and prior and by an independent actuary for 2008 through 2010.

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS
 SCHEDULE OF FUNDING PROGRESS
 OTHER POSTEMPLOYMENT BENEFIT PLAN

April 30, 2011

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2010	\$ -	\$ 175,402	0.00%	\$ 175,402	\$ 2,911,431	6.02%

Note: The Village implemented GASB 45 as of April 30, 2010.
 No information is available for prior periods.

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2011

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2006	\$ 119,848	\$ 119,848	100.00%
2007	143,103	143,103	100.00%
2008	161,502	161,502	100.00%
2009	178,771	178,771	100.00%
2010	166,565	166,565	100.00%
2011	165,731	167,420	98.99%

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
SHERIFF'S LAW ENFORCEMENT PERSONNEL PLAN

April 30, 2011

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2006	NA	NA	NA
2007	\$ 11,082	\$ 11,082	100.00%
2008	11,197	11,197	100.00%
2009	22,793	22,793	100.00%
2010	13,167	13,167	100.00%
2011	NA	NA	NA

NA - The Village began participation in the plan in fiscal year 2007. As of April 30, 2011, the Village no longer contributed to the plan. The Village no longer has any employees in the Sheriff's Law Enforcement Personnel Plan as of April 30, 2011.

VILLAGE OF ROUND LAKE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

April 30, 2011

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2006	\$ 164,106	\$ 164,765	99.60%
2007	222,712	223,427	99.68%
2008	245,451	245,451	100.00%
2009	276,974	276,974	100.00%
2010	239,907	342,824	69.98%
2011	294,349	409,081	71.95%

Note: The Village contributes to the Police Pension Fund based on the State of Illinois Division of Insurance actuarial valuation. Fiscal years 2010 through 2011 annual required contributions (ARC) are based on an independent actuarial valuation.

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN

April 30, 2011

<u>Fiscal Year April 30,</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2010	\$ 16,333	\$ 25,348	64.44%
2011	17,845	25,241	70.70%

Note: The Village implemented GASB 45 as of April 30, 2010.
No information is available for prior periods.

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2011

BUDGETS AND BUDGETARY ACCOUNTING

The governmental, proprietary and pension trust funds (excluding the Special Service Area #1, #3 and #4, Impact Fee Funds and Agency Funds) have annual operating budgets prepared on the cash basis. Budgetary comparisons are reflected in the financial statements for all governmental and enterprise funds. The financial statements reflect the operating budget approved by the Village Board. The Village follows the procedures below for the appropriations process, or the legally adopted annual amounts.

1. The Finance Director submits a proposed appropriation ordinance to the Village Board for review and approval. The proposed ordinance is made available for public inspection at least ten days prior to final Board action.
2. A public hearing is conducted to obtain taxpayer comments on the proposed fiscal year appropriation ordinance.
3. The appropriation ordinance is legally enacted prior to August 1. Appropriations lapse at year end.
4. Per State statutes, the Board of Trustees may:

By two-thirds vote transfer within any department amounts appropriated for an object or purpose to another object or purpose. No object or purpose can be reduced below an amount sufficient to provide for all obligations incurred or to be incurred against the appropriation.

Adopt a supplemental appropriation ordinance in an amount not to exceed any additional revenue available, including unappropriated fund balances or amounts estimated to be received after adoption of the annual appropriation ordinance. A supplemental appropriation ordinance was passed.

VILLAGE OF ROUND LAKE, ILLINOIS
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Continued)

BUDGETS AND BUDGETARY ACCOUNTING (Continued)

5. The following table lists the individual funds and the variance from the appropriations amount:

Fund	Operating Budget	(a) Appropriation	(b) Actual	(b) - (a) Variance Over (Under)
General Fund	\$ 6,568,320	\$ 7,384,702	\$ 6,114,294	\$ (1,270,408)
Capital Projects Fund	535,050	604,607	278,268	(326,339)
Water and Sewer Fund	4,552,420	5,130,007	3,546,235	(1,583,772)
Motor Fuel Tax Fund	611,971	689,027	512,209	(176,818)
Bright Meadows SSA #1 Fund	34,275	38,731	26,459	(12,272)
2005 Bonds Debt Service Fund	275,566	275,691	275,083	(608)
2003 Bonds Debt Service Fund	419,498	420,348	419,651	(697)
2007 Bonds Debt Service Fund	28,180	28,180	-	(28,180)
2010 Bonds Debt Service Fund	444,497	444,572	445,719	1,147
Commuter Parking Lot Fund	61,375	163,370	65,145	(98,225)
Police Pension Fund	351,475	497,167	436,975	(60,192)

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

VILLAGE OF ROUND LAKE, ILLINOIS

DETAILED SCHEDULE OF EXPENDITURES PAID -
BUDGET AND ACTUAL - CASH BASIS
GENERAL FUND

For the Year Ended April 30, 2011

	Original and Final Budget	Actual
EXPENDITURES PAID		
General government		
Administration		
Personal services	\$ 386,084	\$ 342,970
Taxes, pensions and insurance	102,951	89,421
Contractual services	1,192,062	1,142,480
Commodities	20,355	9,797
Repairs and replacement	31,238	22,126
Miscellaneous	43,960	7,749
Total administration	<u>1,776,650</u>	<u>1,614,543</u>
Capital outlay	<u>145,981</u>	<u>39,992</u>
Public safety		
Police		
Personal services	1,858,266	1,885,646
Taxes, pensions and insurance	421,100	683,602
Contractual services	444,940	449,805
Commodities	111,190	99,215
Repairs and replacement	60,300	43,636
Miscellaneous	22,577	16,567
Total police	<u>2,918,373</u>	<u>3,178,471</u>
Capital outlay	<u>131,849</u>	<u>85,718</u>
Public works		
Public works department		
Personal services	290,190	278,883
Taxes, pensions and insurance	107,836	100,957
Contractual services	186,864	187,279
Commodities	99,989	107,433
Repairs and replacement	113,235	125,413
Total public works	<u>798,114</u>	<u>799,965</u>
Capital outlay	<u>20,396</u>	<u>5,435</u>

(This schedule is continued on the following page.)

VILLAGE OF ROUND LAKE, ILLINOIS

DETAILED SCHEDULE OF EXPENDITURES PAID -
 BUDGET AND ACTUAL - CASH BASIS (Continued)
 GENERAL FUND

For the Year Ended April 30, 2011

	Original and Final Budget	Actual
EXPENDITURES PAID (Continued)		
Community development		
Building department		
Personal services	\$ 271,550	\$ 272,119
Taxes, pensions and insurance	86,636	87,712
Contractual services	22,658	16,849
Commodities	12,335	6,486
Repairs and replacement	2,808	1,255
Total building department	395,987	384,421
Capital outlay	5,970	5,749
TOTAL EXPENDITURES PAID	\$ 6,193,320	\$ 6,114,294

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CASH BASIS
CAPITAL PROJECTS FUND

For the Year Ended April 30, 2011

	Original and Final Budget	Actual
REVENUES COLLECTED		
Utility tax	\$ 217,500	\$ 241,825
Intergovernmental	88,000	38,200
Impact fees	-	28,220
Investment income	5,877	5,406
	<u>311,377</u>	<u>313,651</u>
EXPENDITURES PAID		
Current		
General government		
Contractual services	151,850	25,366
Capital outlay	383,200	252,902
	<u>535,050</u>	<u>278,268</u>
NET CHANGE IN FUND BALANCE	<u>\$ (223,673)</u>	35,383
FUND BALANCE, MAY 1		<u>1,040,117</u>
FUND BALANCE, APRIL 30		<u>\$ 1,075,500</u>

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

VILLAGE OF ROUND LAKE, ILLINOIS

COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
ARISING FROM CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2011

	Special Revenue		Debt Service	
	Motor Fuel Tax Fund	Bright Meadows SSA #1 Fund	2005 Bonds Debt Service Fund	2003 Bonds Debt Service Fund
ASSETS				
Cash and investments	\$ 518,900	\$ 98,141	\$ 47,863	\$ 73,618
Advance to other funds	-	-	-	-
TOTAL ASSETS	\$ 518,900	\$ 98,141	\$ 47,863	\$ 73,618
LIABILITIES AND FUND BALANCES				
LIABILITIES				
None	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-
FUND BALANCES				
Reserved for streets	518,900	-	-	-
Reserved for working cash	-	-	-	-
Reserved for debt service	-	-	47,863	73,618
Reserved for specific purpose	-	98,141	-	-
Total fund balances	518,900	98,141	47,863	73,618
TOTAL LIABILITIES AND FUND BALANCES	\$ 518,900	\$ 98,141	\$ 47,863	\$ 73,618

Debt Service		Permanent		Total
2007 Bonds	2010 Bonds			
Debt Service Fund	Debt Service Fund	Working Cash Fund		
\$ -	\$ 44,652	\$ 24,755	\$ 807,929	
-	-	630,411	630,411	
\$ -	\$ 44,652	\$ 655,166	\$ 1,438,340	
\$ -	\$ -	\$ -	\$ -	
-	-	-	-	
-	-	-	518,900	
-	-	655,166	655,166	
-	44,652	-	166,133	
-	-	-	98,141	
-	44,652	655,166	1,438,340	
\$ -	\$ 44,652	\$ 655,166	\$ 1,438,340	

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN FUND BALANCES - CASH BASIS
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended April 30, 2011

	Special Revenue		Debt Service	
	Motor Fuel Tax Fund	Bright Meadows SSA #1 Fund	2005 Bonds Debt Service Fund	2003 Bonds Debt Service Fund
REVENUES COLLECTED				
Property taxes	\$ -	\$ 39,480	\$ -	\$ -
Utility taxes	-	-	291,478	446,532
Intergovernmental				
Motor fuel tax	445,713	-	-	-
Other	217,280	-	-	-
Investment income	492	419	142	453
Total revenues collected	663,485	39,899	291,620	446,985
EXPENDITURES PAID				
Current				
General government	-	26,459	-	7,450
Public works	79,812	-	-	-
Capital outlay	432,397	-	-	-
Debt service				
Principal	-	-	200,000	230,000
Interest and fiscal charges	-	-	75,083	182,201
Total expenditures paid	512,209	26,459	275,083	419,651
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	151,276	13,440	16,537	27,334
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	151,276	13,440	16,537	27,334
FUND BALANCES, MAY 1	367,624	84,701	31,326	46,284
FUND BALANCES, APRIL 30	\$ 518,900	\$ 98,141	\$ 47,863	\$ 73,618

Debt Service		Permanent		Total
2007 Bonds Debt Service Fund	2010 Bonds Debt Service Fund	Working Cash Fund		
\$ -	\$ -	\$ 4,032	\$ -	\$ 43,512
-	87,280	-	-	825,290
-	-	-	-	445,713
-	-	-	-	217,280
-	190	30	-	1,726
-	87,470	4,062	-	1,533,521
-	-	-	-	33,909
-	-	-	-	79,812
-	-	-	-	432,397
-	105,000	-	-	535,000
-	340,719	-	-	598,003
-	445,719	-	-	1,679,121
-	(358,249)	4,062	-	(145,600)
-	384,231	-	-	384,231
(9,231)	-	-	-	(9,231)
(9,231)	384,231	-	-	375,000
(9,231)	25,982	4,062	-	229,400
9,231	18,670	651,104	-	1,208,940
\$ -	\$ 44,652	\$ 655,166	\$ -	\$ 1,438,340

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CASH BASIS
MOTOR FUEL TAX FUND

For the Year Ended April 30, 2011

	Original and Final Budget	Actual
REVENUES COLLECTED		
Intergovernmental		
Motor fuel tax	\$ 448,243	\$ 445,713
Other	145,313	217,280
Investment income	1,774	492
	<u>595,330</u>	<u>663,485</u>
EXPENDITURES PAID		
Current		
Public works		
Contractual services	15,605	12,324
Commodities	53,635	40,141
Repairs and replacement	1,604	2,347
Administrative charges	25,000	25,000
Capital outlay	516,127	432,397
	<u>611,971</u>	<u>512,209</u>
NET CHANGE IN FUND BALANCE	<u>\$ (16,641)</u>	151,276
FUND BALANCE, MAY 1		<u>367,624</u>
FUND BALANCE, APRIL 30		<u>\$ 518,900</u>

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CASH BASIS
BRIGHT MEADOWS SSA #1 FUND

For the Year Ended April 30, 2011

	Original and Final Budget	Actual
REVENUES COLLECTED		
Property taxes	\$ 39,501	\$ 39,480
Investment income	416	419
Total revenues collected	<u>39,917</u>	<u>39,899</u>
EXPENDITURES PAID		
Current		
General government		
Contractual services	34,275	26,459
Total expenditures paid	<u>34,275</u>	<u>26,459</u>
NET CHANGE IN FUND BALANCE	<u>\$ 5,642</u>	13,440
FUND BALANCE, MAY 1		<u>84,701</u>
FUND BALANCE, APRIL 30		<u>\$ 98,141</u>

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CASH BASIS
 2005 BONDS DEBT SERVICE FUND

For the Year Ended April 30, 2011

	Original and Final Budget	Actual
REVENUES COLLECTED		
Utility taxes	\$ 291,225	\$ 291,478
Investment income	111	142
Total revenues collected	<u>291,336</u>	<u>291,620</u>
EXPENDITURES PAID		
Debt service		
Principal	200,000	200,000
Interest and fiscal charges	75,566	75,083
Total expenditures paid	<u>275,566</u>	<u>275,083</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 15,770</u></u>	16,537
FUND BALANCE, MAY 1		<u>31,326</u>
FUND BALANCE, APRIL 30		<u><u>\$ 47,863</u></u>

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CASH BASIS
2003 BONDS DEBT SERVICE FUND

For the Year Ended April 30, 2011

	Original and Final Budget	Actual
REVENUES COLLECTED		
Utility taxes	\$ 421,760	\$ 446,532
Investment income	246	453
Total revenues collected	<u>422,006</u>	<u>446,985</u>
EXPENDITURES PAID		
Current		
General government		
Utilities	7,000	7,450
Debt service		
Principal	230,000	230,000
Interest and fiscal charges	182,498	182,201
Total expenditures paid	<u>419,498</u>	<u>419,651</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 2,508</u></u>	27,334
FUND BALANCE, MAY 1		<u>46,284</u>
FUND BALANCE, APRIL 30		<u><u>\$ 73,618</u></u>

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CASH BASIS
 2007 BONDS DEBT SERVICE FUND

For the Year Ended April 30, 2011

	Original and Final Budget	Actual
REVENUES COLLECTED		
None	\$ -	\$ -
Total revenues collected	-	-
EXPENDITURES PAID		
None	-	-
Total expenditures paid	-	-
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	-	-
OTHER FINANCING SOURCES (USES)		
Transfer (out)	(28,180)	(9,231)
NET CHANGE IN FUND BALANCE	<u>\$ (28,180)</u>	(9,231)
FUND BALANCE, MAY 1		<u>9,231</u>
FUND BALANCE, APRIL 30		<u>\$ -</u>

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CASH BASIS
2010 BONDS DEBT SERVICE FUND

For the Year Ended April 30, 2011

	Original and Final Budget	Actual
REVENUES COLLECTED		
Utility taxes	\$ 81,815	\$ 87,280
Investment income	120	190
Total revenues collected	<u>81,935</u>	<u>87,470</u>
EXPENDITURES PAID		
Debt service		
Principal	105,000	105,000
Interest and fiscal charges	339,497	340,719
Total expenditures paid	<u>444,497</u>	<u>445,719</u>
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	<u>(362,562)</u>	<u>(358,249)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	<u>403,180</u>	<u>384,231</u>
Total other financing sources (uses)	<u>403,180</u>	<u>384,231</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 40,618</u></u>	25,982
FUND BALANCE, MAY 1		<u>18,670</u>
FUND BALANCE, APRIL 30		<u><u>\$ 44,652</u></u>

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN NET ASSETS - BUDGET AND ACTUAL - CASH BASIS
WORKING CASH FUND

For the Year Ended April 30, 2011

	Original and Final Budget	Actual
REVENUES COLLECTED		
Property tax	\$ 2,475	\$ 4,032
Investment income	103	30
Total revenues collected	<u>2,578</u>	<u>4,062</u>
EXPENDITURES PAID		
None	-	-
Total expenditures paid	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 2,578</u></u>	4,062
FUND BALANCE, MAY 1		<u>651,104</u>
FUND BALANCE, APRIL 30		<u><u>\$ 655,166</u></u>

(See independent auditor's report.)

ENTERPRISE FUNDS

VILLAGE OF ROUND LAKE, ILLINOIS

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN NET ASSETS - BUDGET AND ACTUAL - MODIFIED CASH BASIS
WATER AND SEWER FUND

For the Year Ended April 30, 2011

	Original and Final Budget	Actual
OPERATING REVENUES		
Charges for services		
Water and sewer fees	\$ 3,459,200	\$ 3,425,087
Miscellaneous		
Permits and fees	-	49,100
Other	688,000	7,720
Total operating revenues	<u>4,147,200</u>	<u>3,481,907</u>
OPERATING EXPENSES EXCLUDING DEPRECIATION		
Water and sewer operations		
Personal services	450,737	390,985
Taxes, pensions and insurance	150,718	128,588
Contractual services	2,621,326	2,699,915
Commodities	70,250	64,507
Repairs and replacement	101,080	51,804
Capital outlay	1,015,274	210,436
Total operating expenses excluding depreciation	<u>4,409,385</u>	<u>3,546,235</u>
OPERATING INCOME (LOSS)	<u>(262,185)</u>	<u>(64,328)</u>
NONOPERATING REVENUES (EXPENSES)		
Investment income	35,860	16,172
Debt service		
Principal	(90,000)	(90,000)
Interest expense	(53,035)	(83,545)
Total nonoperating revenues (expenses)	<u>(107,175)</u>	<u>(157,373)</u>
NET INCOME (LOSS) - BUDGETARY BASIS	<u>\$ (369,360)</u>	<u>(221,701)</u>
ADJUSTMENTS TO MODIFIED CASH BASIS		
Debt principal payment		90,000
Capitalized assets		190,224
Depreciation		<u>(1,160,303)</u>
Total adjustments to modified cash basis		<u>(880,079)</u>
CHANGE IN NET ASSETS		(1,101,780)
NET ASSETS, MAY 1		<u>41,524,964</u>
NET ASSETS, APRIL 30		<u>\$ 40,423,184</u>

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN NET ASSETS - BUDGET AND ACTUAL - MODIFIED CASH BASIS
COMMUTER PARKING LOT FUND

For the Year Ended April 30, 2011

	Original and Final Budget	Actual
OPERATING REVENUES		
Charges for services		
Parking lot fees	\$ 120,200	\$ 104,355
Total operating revenues	<u>120,200</u>	<u>104,355</u>
OPERATING EXPENSES		
Parking lot operations		
Contractual services	12,760	11,238
Commodities	2,150	800
Repairs and replacement	14,500	13,489
Miscellaneous	2,130	2,025
Capital outlay	20,000	37,593
Total operating expenses	<u>51,540</u>	<u>65,145</u>
OPERATING INCOME	<u>68,660</u>	<u>39,210</u>
NONOPERATING REVENUES (EXPENSES)		
Investment income	731	147
Principal retirement	(8,767)	(8,767)
Interest expense	(1,068)	(1,067)
Total nonoperating revenues (expenses)	<u>(9,104)</u>	<u>(9,687)</u>
NET INCOME - BUDGETARY BASIS	<u>\$ 59,556</u>	<u>29,523</u>
ADJUSTMENTS TO MODIFIED CASH BASIS		
Debt principal payment		<u>8,767</u>
Total adjustments to modified cash basis		<u>8,767</u>
CHANGE IN NET ASSETS		38,290
NET ASSETS, MAY 1		<u>117,752</u>
NET ASSETS, APRIL 30		<u>\$ 156,042</u>

(See independent auditor's report.)

FIDUCIARY FUNDS

VILLAGE OF ROUND LAKE, ILLINOIS

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CASH BASIS
POLICE PENSION FUND

For the Year Ended April 30, 2011

	Original and Final Budget	Actual
ADDITIONS		
Contributions - employer	\$ 294,738	\$ 294,349
Contributions - employee	132,000	152,750
Contributions - other	-	901
Total contributions	<u>426,738</u>	<u>448,000</u>
Investment income		
Net appreciation in fair value of investments	-	351,197
Interest earned on investments	128,198	81,895
Total investment income	128,198	433,092
Less investment expense	<u>(15,000)</u>	<u>(16,326)</u>
Net investment income	<u>113,198</u>	<u>416,766</u>
Total additions	<u>539,936</u>	<u>864,766</u>
DEDUCTIONS		
Benefits and refunds		
Retirement pension	209,000	208,562
Disability pension	78,000	77,721
Refund of contribution	5,000	105,180
Administrative	44,475	38,047
Total deductions	<u>336,475</u>	<u>429,510</u>
NET INCREASE	<u><u>\$ 203,461</u></u>	435,256
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS		
May 1		<u>4,046,216</u>
April 30		<u><u>\$ 4,481,472</u></u>

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - CASH BASIS
AGENCY FUNDS

For the Year Ended April 30, 2011

	Balances May 1	Additions	Deductions	Balances April 30
ALL FUNDS				
ASSETS				
Cash and investments	\$ 1,484,964	\$ 1,547,555	\$ 1,535,872	\$ 1,496,647
TOTAL ASSETS	\$ 1,484,964	\$ 1,547,555	\$ 1,535,872	\$ 1,496,647
LIABILITIES				
Deposits payable	\$ 49,061	\$ -	\$ 709	\$ 48,352
Other payables	1,435,553	1,547,555	1,534,962	1,448,146
Due to other funds	350	-	201	149
TOTAL LIABILITIES	\$ 1,484,964	\$ 1,547,555	\$ 1,535,872	\$ 1,496,647
BUILDERS ESCROW FUND				
ASSETS				
Cash and investments	\$ 49,342	\$ -	\$ 874	\$ 48,468
TOTAL ASSETS	\$ 49,342	\$ -	\$ 874	\$ 48,468
LIABILITIES				
Deposits payable	\$ 49,061	\$ -	\$ 709	\$ 48,352
Due to other funds	281	-	165	116
TOTAL LIABILITIES	\$ 49,342	\$ -	\$ 874	\$ 48,468
IMPACT FEE FUND				
ASSETS				
Cash and investments	\$ 69	\$ -	\$ 36	\$ 33
TOTAL ASSETS	\$ 69	\$ -	\$ 36	\$ 33
LIABILITIES				
Due to other funds	\$ 69	\$ -	\$ 36	\$ 33
TOTAL LIABILITIES	\$ 69	\$ -	\$ 36	\$ 33

(This statement is continued on the following page.)

VILLAGE OF ROUND LAKE, ILLINOIS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - CASH BASIS (Continued)
AGENCY FUNDS

For the Year Ended April 30, 2011

	Balances May 1	Additions	Deductions	Balances April 30
LAKEWOOD GROVE SSA #1 FUND				
ASSETS				
Cash and investments	\$ 846,657	\$ 878,817	\$ 887,767	\$ 837,707
TOTAL ASSETS	\$ 846,657	\$ 878,817	\$ 887,767	\$ 837,707
LIABILITIES				
Other payables	\$ 846,657	\$ 878,817	\$ 887,767	\$ 837,707
TOTAL LIABILITIES	\$ 846,657	\$ 878,817	\$ 887,767	\$ 837,707
LAKEWOOD GROVE SSA #3 FUND				
ASSETS				
Cash and investments	\$ 249,895	\$ 271,389	\$ 268,861	\$ 252,423
TOTAL ASSETS	\$ 249,895	\$ 271,389	\$ 268,861	\$ 252,423
LIABILITIES				
Other payables	\$ 249,895	\$ 271,389	\$ 268,861	\$ 252,423
TOTAL LIABILITIES	\$ 249,895	\$ 271,389	\$ 268,861	\$ 252,423
LAKEWOOD GROVE SSA #4 FUND				
ASSETS				
Cash and investments	\$ 339,001	\$ 397,349	\$ 378,334	\$ 358,016
TOTAL ASSETS	\$ 339,001	\$ 397,349	\$ 378,334	\$ 358,016
LIABILITIES				
Other payables	\$ 339,001	\$ 397,349	\$ 378,334	\$ 358,016
TOTAL LIABILITIES	\$ 339,001	\$ 397,349	\$ 378,334	\$ 358,016

(See independent auditor's report.)

SUPPLEMENTARY INFORMATION

VILLAGE OF ROUND LAKE, ILLINOIS

SCHEDULE OF TAX DATA

For the Last Seven Levy Years

	Levy Year		
	2010	2009	2008
ASSESSED VALUATION	\$ 363,428,091	\$ 404,464,351	\$ 421,556,835
TAX RATES BY FUND			
Corporate	0.399	0.433	0.416
Municipal audit	0.006	0.006	0.006
Road and bridge	0.030	0.022	0.021
Garbage	0.069	0.049	0.076
Retirement	0.084	0.098	0.091
Bond and interest	-	-	-
Working cash	0.001	0.001	0.002
Liability insurance	0.046	0.039	0.041
Civil defense/ES&DA	0.001	0.001	0.001
Police protection	0.274	0.147	0.116
Police pension	0.087	0.073	0.057
TOTAL TAX RATES BY FUND	0.997	0.869	0.827
TAX EXTENSIONS BY FUND			
Corporate	\$ 1,450,078	\$ 1,751,331	\$ 1,753,676
Municipal audit	21,806	24,268	25,293
Road and bridge	109,028	88,982	88,527
Garbage	250,766	198,188	320,383
Retirement	305,280	396,375	383,617
Bond and interest	-	-	-
Working cash	3,634	4,044	8,431
Liability insurance	167,177	157,741	172,838
Civil defense/ES&DA	3,634	4,044	4,216
Police protection	995,793	594,563	489,006
Police pension	316,182	295,259	240,287
TOTAL TAX EXTENSIONS BY FUND	\$ 3,623,378	\$ 3,514,795	\$ 3,486,274
TAX COLLECTIONS - ALL FUNDS			
Levy Collections Through Year End	\$ -	\$ 3,503,869	\$ 3,481,655
PERCENT COLLECTED	N/A	99.69%	99.87%

Levy Year			
2007	2006	2005	2004
\$ 407,703,238	\$ 377,475,750	\$ 319,702,385	\$ 243,920,458
0.386	0.359	0.246	0.234
0.008	0.012	0.014	0.016
0.029	0.031	0.048	0.057
0.078	0.103	0.168	0.155
0.118	0.125	0.136	0.164
-	-	-	0.037
0.003	0.007	0.035	0.050
0.050	0.056	0.064	0.077
0.001	0.001	-	-
0.083	0.076	0.074	0.070
0.068	0.065	0.070	0.068
0.824	0.835	0.855	0.928
\$ 1,573,735	\$ 1,355,138	\$ 786,468	\$ 570,774
32,616	45,297	44,758	39,027
80,992	76,099	117,115	105,084
318,009	388,800	537,100	378,077
481,090	471,845	434,795	400,030
-	-	-	90,251
12,231	26,423	111,896	121,960
203,852	211,386	204,610	187,819
4,077	3,775	-	-
338,394	286,882	236,580	170,744
277,238	245,359	223,792	165,866
\$ 3,322,234	\$ 3,111,004	\$ 2,697,114	\$ 2,229,632
\$ 3,319,067	\$ 3,106,020	\$ 2,684,166	\$ 2,204,463
99.90%	99.84%	99.52%	98.87%

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

SCHEDULE OF ASSESSED VALUATION BY TYPE OF PROPERTY

For the Last Ten Levy Years

Tax Levy Year	Real Estate	Railroad	Total
2001	\$ 93,873,302	\$ -	\$ 93,873,302
2002	122,024,880	-	122,024,880
2003	176,938,389	98,998	177,037,387
2004	243,920,458	-	243,920,458
2005	319,702,385	-	319,702,385
2006	377,475,750	-	377,475,750
2007	407,703,238	-	407,703,238
2008	421,556,835	-	421,556,835
2009	404,464,351	-	404,464,351
2010	363,428,091	-	363,428,091

(See independent auditor's report.)