

VILLAGE OF ROUND LAKE, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended
April 30, 2013



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INTRODUCTORY SECTION

VILLAGE OF ROUND LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2013

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, 2013.

FINANCIAL HIGHLIGHTS

- The Village's Governmental net position, which equal total assets plus deferred outflows of resources less total liabilities, was \$32,294,240 and \$30,159,079 at the end of fiscal year 2013 and 2012, respectively, an increase of \$2,135,161. Business-type activities net position was \$40,452,733 and \$40,207,818 at the end of fiscal year 2013 and 2012, respectively, an increase of \$244,915.
- Governmental unrestricted net position, assets that may be used to meet the Village's ongoing obligations to residents and creditors, was \$7,524,108 and \$6,245,323 for fiscal year 2013 and 2012, respectively, an increase of \$1,278,785. Business-type activities unrestricted net position was \$7,701,931 and \$7,597,156 for fiscal year 2013 and 2012, respectively, an increase of \$104,775.
- Revenues for Governmental Activities (excluding transfers) equaled \$9,053,924 and were higher than total program expenses of \$6,818,763 by \$2,235,161 as compared to total revenues of \$8,756,478 which were higher than total expenses of \$6,705,596 by \$2,050,882 in the prior year. Revenues for Business-Type Activities (excluding transfers) equaled \$4,467,980 and were higher than total program expenses of \$4,323,065 by \$144,915, as compared to total revenues of \$3,899,506 which were lower than total expenses of \$4,270,914 by \$371,408, in the prior year.
- The fund balance for the General Fund equaled \$6,373,001, an increase of \$1,083,415 from the beginning fund balance of \$5,289,586.

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 supplementary data 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 position presents information on all of the Village's assets, deferred outflows of resources, and liabilities on a modified cash basis, with the difference between the three being reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 operations, commuter parking lot activities, and internal service purchases.

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 proprietary fund types. One type is enterprise funds, which has a fund for water and sewer operations and another for commuter lot operations. The other type is internal service, which has three funds; vehicle replacement, technology replacement, and building replacement. The enterprise funds are used to report the functions presented as business-type activities in the governmental-wide financial statements. The internal service funds are reported as governmental activities in the government-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 supplementary data.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, the net position may serve over time as a useful indicator of a government's financial position. In the case of the Village of Round Lake, assets plus deferred outflows of resources exceeded liabilities by \$72.7 million at April 30, 2013.

By far the largest portion of the Village's net position 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, 2013, net investment in capital assets totaled \$55.7 million, representing 76.63% of total net position. 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 under \$1.8 million (2.44%) of the Village's net position 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 \$15,226,039 balance of unrestricted net position may be used to meet the Village's ongoing obligations to citizens and creditors.

Following is a table that summarizes the net position 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 Position
Fiscal Years Ended April 30th**

	Governmental Activities		Business - Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current assets	\$9,315,423	\$8,157,165	\$7,744,779	\$7,646,435	\$17,060,202	\$15,803,600
Capital assets	36,513,877	36,076,470	33,705,802	33,670,662	70,219,679	69,747,132
Total assets	45,829,300	44,233,635	41,450,581	41,317,097	87,279,881	85,550,732
Unamortized loss on refunding	841,460	-	-	-	841,460	-
Total Deferred Outflows	841,460	-	-	-	841,460	-
Other liabilities	17,456	18,243	42,848	38,105	60,304	56,348
Noncurrent liabilities	14,359,064	14,056,313	955,000	1,071,174	15,314,064	15,127,487
Total liabilities	14,376,520	14,074,556	997,848	1,109,279	15,374,368	15,183,835
Net Position						
Invested in capital assets, net of debt	22,996,273	22,020,157	32,750,802	32,610,662	55,747,075	54,630,819
Restricted	1,773,859	1,893,599	0	0	1,773,859	1,893,599
Unrestricted	7,524,108	6,245,323	7,701,931	7,597,156	15,226,039	13,842,479
Total net position	\$32,294,240	\$30,159,079	\$40,452,733	\$40,207,818	\$72,746,973	\$70,366,897

Total net position of the Village increased by \$2,380,076 for the fiscal year ended 2013. The net position related to governmental activities increased by \$2,135,161, while net position related to business-type activities increased by \$244,915.

In the governmental activities, current assets, mainly cash, increased \$1,158,258. General Fund cash increased \$1,082,659; internal service activities cash increased \$210,809, while other governmental funds cash decreased \$135,179. The increase in the General Fund is the result of fiscal year end 2013 revenues exceeding projections by over \$950,000 and expenditures almost \$120,000 under budget. All other governmental funds cash decreased \$135,179 mainly due to capital expenses approximately \$65,000 higher than receipts collected and debt service funds having \$70,000 excess of expenditures paid versus revenues collected. Other liabilities decreased slightly due to escrow deposit balances slightly lower in fiscal year end 2013. Long-term liabilities increased \$302,751 mainly due to normal principal reductions for the Village's general obligation bonds and a debt certificate, however, unamortized loss on refunding was moved from noncurrent liabilities (a reduction of the liability) to deferred outflows of resources.

In the business-type activities, current assets increased by \$98,344 mainly due to receipts from customers and users higher than payments to vendors and other items such as bond payments and capital assets purchased. Capital assets increased by only \$35,140 due to depreciation expense of \$1,087,034 and \$1,122,174 in new capital assets. The slight 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, 2013. Long-term liabilities decreased by \$116,174 from the preceding fiscal year due to a \$105,000 principal payment made on the Village's 2010C outstanding debt series and the pay down of \$11,174 on a note payable balance in the Commuter Parking Lot Fund.

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

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

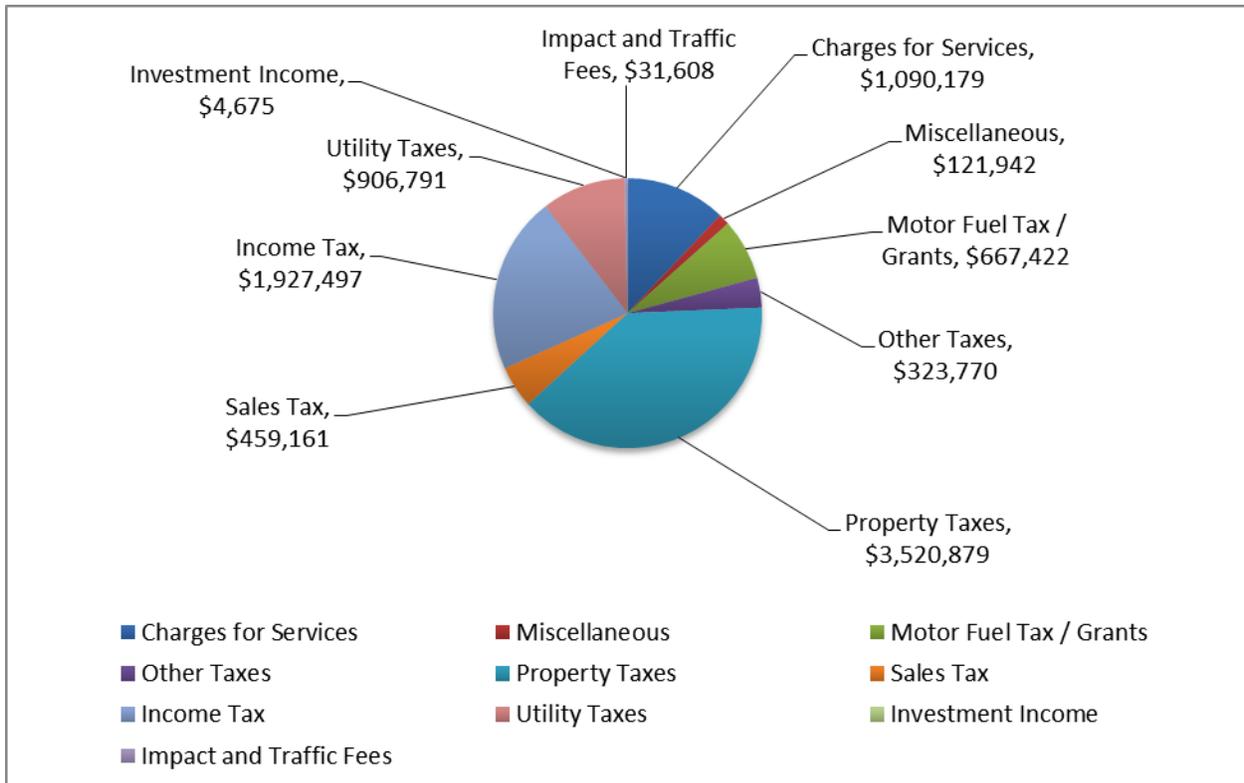
	Governmental Activities		Business - Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues						
Program revenues						
Charges for services	\$1,090,179	\$1,097,906	\$3,982,654	\$3,754,972	\$5,072,833	\$4,852,878
Operating Grants	569,172	735,406	-	-	569,172	735,406
Capital Grants	98,250	65,688	-	-	98,250	65,688
General revenues						
Property taxes	3,520,879	3,678,677	-	-	3,520,879	3,678,677
Income tax	1,927,497	1,259,849	-	-	1,927,497	1,259,849
Utility taxes	906,791	935,838	-	-	906,791	935,838
Other taxes	782,931	732,579	-	-	782,931	732,579
Interest income	4,675	11,190	(5,994)	8,686	(1,319)	19,876
Impact fees and recaptures	31,608	51,600	-	-	31,608	51,600
Miscellaneous	121,942	187,745	62,835	135,848	184,777	323,593
Total revenues	9,053,924	8,756,478	4,039,495	3,899,506	13,093,419	12,655,984
Program expenses						
General government	2,017,736	1,294,498	-	-	2,017,736	1,294,498
Police department	3,128,966	3,150,846	-	-	3,128,966	3,150,846
Public works	784,647	1,056,661	-	-	784,647	1,056,661
Community development	241,523	417,019	-	-	241,523	417,019
Debt service	645,891	786,572	-	-	645,891	786,572
Parking Lot	-	-	34,157	42,557	34,157	42,557
Water and sewer	-	-	4,288,908	4,228,357	4,288,908	4,228,357
Total expenses	6,818,763	6,705,596	4,323,065	4,270,914	11,141,828	10,976,510
Changes in net position before contributions and transfers	2,235,161	2,050,882	(283,570)	(371,408)	1,951,591	1,679,474
Contributions	-	-	428,485	-	428,485	-
Transfers	(100,000)	-	100,000	-	-	-
Increase (decrease) in net position	2,135,161	2,050,882	244,915	(371,408)	2,380,076	1,679,474
Beginning of year	30,159,079	28,108,197	40,207,818	40,579,226	70,366,897	68,687,423
End of year	\$32,294,240	\$30,159,079	\$40,452,733	\$40,207,818	\$72,746,973	\$70,366,897

Governmental Activities

Program revenues (amounts charged to residents for programs plus operating and capital grants) for governmental activities totaled \$1,757,601 and general revenues totaled \$7,296,323 for a total of \$9,053,924, an increase of \$297,446 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 38.89% of the overall revenues. Charges for services, 12.04% of the total, include items such as business licenses, building permits, and refuse pickup. Income Tax (21.29%) is the portion of state income tax that the State of Illinois distributes to the Village on a per capita basis. Income tax was higher than normal due to receiving fourteen payments in the current year. Utility taxes include electric, gas, and the municipal telecommunications tax, which accounted for 10.02% of the overall revenues. Other taxes of \$323,770 include use and replacement tax.

Expenses related to governmental activities totaled \$6,818,763 in the current fiscal year, representing an increase of \$113,167 from the preceding fiscal year. The increase is the result of normal governmental operating increases from the previous year. In 2013 a transfer of \$100,000 was made to move the value of a parking lot from governmental assets into the computer parking lot fund.

Business-Type Activities

Program revenues for business type activities totaled \$3,982,654 and general revenues totaled \$56,841 for a total of \$4,039,495, an increase of \$139,989 from the preceding year. Charges for services increased \$227,682 from 2012 due to increases in rates for water purchased and Village fees along with higher than average consumption as the summer of 2012 was drier than normal. Miscellaneous revenue decreased \$87,693 from 2012 due to lower permit fee receipts and market value adjustments to investments held.

Expenses from business-type activities totaled \$4,323,065, compared to \$4,270,914 in the preceding year, an increase of \$52,151. The majority of the increase relates to operating expenses increasing \$119,496, coupled with depreciation expense decreasing \$63,698. In 2013 a transfer of \$100,000 was made to move the value of a parking lot from governmental assets into the computer parking lot fund.

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, 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, 2013, the Village's governmental funds reported a combined ending fund balance of \$9,087,158, representing an increase of \$948,236, 11.65%, from the preceding year. Approximately 70.13%, \$6,373,001 constitutes unrestricted, unassigned fund balance, which is available for spending at the village's discretion. The remainder of fund balance is restricted or assigned, to indicate that it is not available for new spending because it has already been earmarked: 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, 2013 total fund balance was \$6,373,001, an increase of \$1,083,415 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, 2013.

	Operating Budget	Actual	Variance	Percent Variance
Revenues				
Taxes	\$3,056,465	\$3,490,479	\$434,014	14.20%
Charges For Service	563,575	570,303	6,728	1.19%
Licenses And Permits	76,234	120,968	44,734	58.68%
Intergovernmental	2,249,908	2,723,142	473,234	21.03%
Fines	196,000	176,060	(19,940)	(10.17%)
Franchise Fees	215,500	222,849	7,349	3.41%
Interest Income	12,500	2,426	(10,074)	(80.59%)
Miscellaneous Income	100,200	118,906	18,706	18.67%
Total Revenues	6,470,382	7,425,133	954,751	14.76%
Expenditures				
General Government	1,692,111	1,580,834	111,277	6.58%
Police Department	3,153,746	3,241,646	(87,900)	(2.79%)
Public Works	828,664	812,994	15,670	1.89%
Community Development	267,280	256,894	10,386	3.89%
Capital Outlay	165,710	99,350	66,360	40.05%
Other Financing Uses	350,000	350,000	-	0.00%
Total Expenditures	6,457,511	6,341,718	115,793	1.79%
Changes In Fund Balance	\$12,871	\$1,083,415	\$1,070,544	(8317.49%)

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 \$395,437. As the chart shows, revenues were \$954,751, 14.76% above the operating budget amount. Besides taxes, the largest dollar variance is intergovernmental revenue; with actual charges \$473,234 over the budget amount due to income tax receipts higher than budget by \$460,719 as fourteen payments were received versus the normal twelve.

Expenditures were 1.79% under the operating budget of \$6,457,511. The Police Department expenditures are \$307,537 under the operating budget after backing out the \$395,437 Police Pension tax levy. Besides the Police Department, other areas under budget include capital outlay by \$66,360 and General Government under budget by 6.58%.

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 \$17,396, contractual services of \$37,957, and repairs and replacement expenses \$35,848 under budget.

Other Governmental Funds. All other governmental fund type revenues were \$1,628,791, a decrease of \$137,737 from the prior year amount of \$1,766,528. The table below lists the revenue types and the change from the prior year.

	2013	2012	Dollar Change	Percent Change
Revenues				
Taxes	\$937,192	\$963,420	(\$26,228)	(2.72%)
Intergovernmental	657,742	737,801	(80,059)	(10.85%)
Impact Fees	31,608	51,600	(19,992)	(38.74%)
Interest Income	2,249	4,619	(2,370)	(51.31%)
Miscellaneous Income	-	9,088	(9,088)	(100.00%)
Total Revenues	\$1,628,791	\$1,766,528	(\$137,737)	(7.80%)

Fiscal year end 2013 taxes were \$26,228 lower than 2012 due to both the telecommunications and gas tax lower than the previous year receipts. Intergovernmental revenue decreased due to receiving \$33,000 less in CDBG revenues and reimbursements, for engineering expenses; from the State were \$46,000 lower than in 2012. Impact fees were \$19,992 lower than 2012 due to less permits issued for the one ongoing remaining development in Round Lake.

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

	2013	2012	Dollar Change	Percent Change
Expenditures				
General Government	150,832	165,093	(14,261)	(8.64%)
Public Works	96,931	59,910	37,021	61.79%
Capital Outlay	681,607	372,679	308,928	82.89%
Debt Service	1,184,600	1,278,742	(94,142)	(7.36%)
Total Expenditures	2,113,970	1,876,424	237,546	12.66%

All other governmental fund type expenditures were \$2,113,970, an increase of \$237,546 from the prior year. As shown in the table above the major increase was in the capital outlay category. The majority of the increase relates to projects in the Motor Fuel Tax Fund, with capital outlay increasing \$565,289 over the 2012 amount. Offsetting the capital outlay increase were minor decreases in both the general government and debt service categories.

Proprietary funds. The Village's proprietary funds, the enterprise funds, which includes water/sewer and the commuter parking lot funds and the internal service funds which include the vehicle, technology, and building replacement funds, 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 \$785,110. Operating revenues totaled \$3,956,086, an increase of \$192,493 from the preceding year. Operating expenses excluding depreciation totaled \$3,170,976, an increase of \$127,251 from the prior year. Operating loss before non-operating items, transfers and contributions totaled \$301,924. Contributions of \$428,485 were recorded for the fiscal year ended 2013. The total change in net position reported for the current fiscal year was a positive \$89,643.

The Commuter Parking Lot Fund reported total operating income before depreciation expense of \$55,288. Operating revenue totaled \$89,403, a decrease of \$13,795 from the preceding year. Operating expenses excluding depreciation totaled \$34,115, a decrease of \$7,755 from the prior year. Contributions of \$100,000 were recorded for the fiscal year ended 2013. The total change in net position reported for the current fiscal year was a positive \$155,272.

The internal service funds, which includes vehicle, technology, and the building replacement funds reported total operating income before depreciation expense of \$288,181. Operating revenue totaled \$301,536 and operating expenses excluding depreciation totaled \$13,355. The total change in net position reported for the current fiscal year was a positive \$280,451. All three replacement funds were established in fiscal year end 2013.

Fiduciary funds. The Village's fiduciary funds consist of five agency funds and one Police Pension Trust Fund. Net position held by the Police Pension Trust Fund totaled \$5,012,614 at April 30, 2013, an increase of \$437,743 from the prior year. Additions to the pension trust fund totaled \$869,778 and deductions totaled \$432,035.

BUDGETARY INFORMATION

All funds actual expenses, prior to capitalization of assets and depreciation expenses were under the overall appropriations by nearly \$1.8 million. However, the 2010 Debt Service Fund had expenses \$279 over the amount budgeted due to bond register and paying agent fees higher then projected. In addition, the Technology Replacement Fund had expenses \$181 over the budgeted amount due to server replacement costs higher then anticipated.

CAPITAL ASSETS

The Village's investment in capital assets for its governmental and business type activities as of April 30, 2013 was \$70,219,679 (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 increase in the Village's investment in capital assets for the year ended April 30, 2013 was \$472,547.

Capital Assets (net of depreciation) Fiscal Years Ended April 30th

Description	Governmental Activities		Business - Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$12,026,483	\$12,103,716	\$130,000	\$30,000	\$12,156,483	\$12,133,716
Construction in progress	1,007,978	255,574	563,396	20,721	1,571,374	276,295
Buildings	8,021,757	8,249,182	-	-	8,021,757	8,249,182
Land Improvements	380,408	414,660	-	-	380,408	414,660
Vehicles and Equipment	247,089	214,503	84,231	55,324	331,320	269,827
Infrastructure	14,830,162	14,838,835	32,928,175	33,564,617	47,758,337	48,403,452
Totals	\$36,513,877	\$36,076,470	\$33,705,802	\$33,670,662	\$70,219,679	\$69,747,132

Governmental activities capital assets increased \$437,407 from the prior year and business-type activities capital assets increased 0.10%. The majority of the increase in the current fiscal year relates to the construction in progress category. The category increased \$1,295,079, with the larger projects included below:

- Cedar Lake Road extension \$100,534
- Wildspring/Nippersink roadway repaving \$249,621
- Lakewood Terrace roadway and watermain reconstruction \$460,452
- Park Avenue watermain \$362,440

Depreciation expense in the governmental and business-type activities totaled \$663,705 and \$1,087,034, respectively in the current fiscal year.

DEBT ADMINISTRATION

As of April 30, 2013, the Village had five general obligation bonds outstanding. At the end of the current fiscal year, the Village of Round Lake had \$15,169,000 of debt outstanding as shown by the table below.

Outstanding Debt Fiscal Year Ended April 30, 2013

<u>General Obligation Bonds</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
Series 2005	\$1,239,000	\$ -	\$1,239,000
Series 2010A	9,100,000	-	9,100,000
Series 2010B	940,000	-	940,000
Series 2010C	-	955,000	955,000
Series 2011	2,935,000	-	2,935,000
Total	<u>\$14,214,000</u>	<u>\$955,000</u>	<u>\$15,169,000</u>

During the year the Village's total outstanding debt decreased by over \$700,000. \$450,000 of general obligation bonds, \$245,000 of debt certificates, and a notes payable in the amount of \$11,174 were retired. In addition, during fiscal year 2013 there was no new bond issues and the Village's general obligation debt certificates, series 2003D were retired and an a notes payable dated June 2003 for the purchase of a commuter parking lot was paid off.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

General economic conditions are expected to improve in the fiscal year beginning May 1, 2013 and ending April 30, 2014. 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 2013-2014 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 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.

FINANCIAL SECTION

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 the Village of Round Lake, Illinois (the Village) as of and for the year ended April 30, 2013, and the related notes to financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1d; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village, as of April 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the basis of accounting as described in Note 1d.

Basis of Accounting

We draw attention to Note 1d of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Emphasis of Matter

The Village adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* during the year ended April 30, 2013. Statement No. 63 added new classifications on the statements of net position and changed net assets to net position. The adoption of this statement had no effect on any of the Village's net positions or fund balances as of and for the year ended April 30, 2013. Our opinions are not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The management discussion and analysis, combining and individual nonmajor fund financial statements and schedules, and the supplementary data are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The management discussion and analysis and combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The management discussion and analysis and supplemental data has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them

A handwritten signature in black ink, appearing to read "S. Hill" followed by a stylized flourish.

Naperville, Illinois
November 27, 2013

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

VILLAGE OF ROUND LAKE, ILLINOIS

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

April 30, 2013

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash	\$ 9,315,392	\$ 7,744,779	\$ 17,060,171
Due from fiduciary funds	31	-	31
Capital assets not being depreciated	13,034,461	693,396	13,727,857
Capital assets (net of accumulated depreciation)	23,479,416	33,012,406	56,491,822
Total assets	45,829,300	41,450,581	87,279,881
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refunding	841,460	-	841,460
Total deferred outflows of resources	841,460	-	841,460
LIABILITIES			
Escrow deposits	17,456	-	17,456
Other liabilities	-	42,848	42,848
Noncurrent liabilities			
Due within one year	620,000	110,000	730,000
Due within more than one year	13,739,064	845,000	14,584,064
Total liabilities	14,376,520	997,848	15,374,368
NET POSITION			
Net investment in capital assets	22,996,273	32,750,802	55,747,075
Restricted for			
Streets	926,529	-	926,529
Working cash	665,277	-	665,277
Debt service	74,422	-	74,422
Specific purposes	107,631	-	107,631
Unrestricted	7,524,108	7,701,931	15,226,039
TOTAL NET POSITION	\$ 32,294,240	\$ 40,452,733	\$ 72,746,973

See accompanying notes to financial statements.

VILLAGE OF ROUND LAKE, ILLINOIS

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the Year Ended April 30, 2013

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants	Capital Grants
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 2,017,736	\$ 911,250	\$ -	\$ -
Public safety	3,128,966	178,929	12,715	-
Public works	784,647	-	556,457	98,250
Community development	241,523	-	-	-
Interest	645,891	-	-	-
Total governmental activities	6,818,763	1,090,179	569,172	98,250
Business-Type Activities				
Water and sewer	4,288,908	3,893,251	-	428,485
Parking lot	34,157	89,403	-	-
Total business-type activities	4,323,065	3,982,654	-	428,485
TOTAL PRIMARY GOVERNMENT	\$ 11,141,828	\$ 5,072,833	\$ 569,172	\$ 526,735

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
	\$ (1,106,486)	\$ -	\$ (1,106,486)
	(2,937,322)	-	(2,937,322)
	(129,940)	-	(129,940)
	(241,523)	-	(241,523)
	(645,891)	-	(645,891)
	(5,061,162)	-	(5,061,162)
	-	32,828	32,828
	-	55,246	55,246
	-	88,074	88,074
	(5,061,162)	88,074	(4,973,088)
General Revenues			
Taxes			
Property	3,520,879	-	3,520,879
Replacement	27,783	-	27,783
Sales	459,161	-	459,161
Utility	906,791	-	906,791
Other	295,987	-	295,987
State-shared income taxes	1,927,497	-	1,927,497
Impact and traffic fees	31,608	-	31,608
Investment income	4,675	(5,994)	(1,319)
Miscellaneous	121,942	62,835	184,777
Transfers	(100,000)	100,000	-
Total	7,196,323	156,841	7,353,164
CHANGE IN NET POSITION	2,135,161	244,915	2,380,076
NET POSITION, MAY 1	30,159,079	40,207,818	70,366,897
NET POSITION, APRIL 30	\$ 32,294,240	\$ 40,452,733	\$ 72,746,973

See accompanying notes to financial statements.

VILLAGE OF ROUND LAKE, ILLINOIS

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

April 30, 2013

	General	Capital Projects	Nonmajor Governmental	Total
ASSETS				
Cash	\$ 6,390,426	\$ 940,298	\$ 1,773,859	\$ 9,104,583
Due from fiduciary funds	31	-	-	31
TOTAL ASSETS	\$ 6,390,457	\$ 940,298	\$ 1,773,859	\$ 9,104,614
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Escrow deposits	\$ 17,456	\$ -	\$ -	\$ 17,456
Total liabilities	17,456	-	-	17,456
FUND BALANCES				
Restricted				
Streets	-	-	926,529	926,529
Working cash	-	-	665,277	665,277
Debt service	-	-	74,422	74,422
Specific purposes			107,631	107,631
Assigned				
Specific purposes	-	940,298	-	940,298
Unrestricted				
Unassigned	6,373,001	-	-	6,373,001
Total fund balances	6,373,001	940,298	1,773,859	9,087,158
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,390,457	\$ 940,298	\$ 1,773,859	\$ 9,104,614

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 POSITION - MODIFIED CASH BASIS

April 30, 2013

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 9,087,158
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	36,444,235
Less amount reported in internal service funds below	
Unamortized loss on refunding is reported as a deferred outflow of resources on the statement of net position	841,460
Long-term liabilities, including installment contracts, are not due and payable in the current period and, therefore, are not reported in the governmental funds	(14,359,064)
The net position of internal service funds are included in the governmental activities in the statement of net position	<u>280,451</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 32,294,240</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
GOVERNMENTAL FUNDS

For the Year Ended April 30, 2013

	General	Capital Projects	Nonmajor Governmental	Total
REVENUES COLLECTED				
Taxes	\$ 3,490,479	\$ 131,827	\$ 805,365	\$ 4,427,671
Intergovernmental	2,723,142	23,051	634,691	3,380,884
Licenses and permits	120,968	-	-	120,968
Fines	176,060	-	-	176,060
Charges for service	570,303	-	-	570,303
Impact fees	-	31,608	-	31,608
Investment income	2,426	1,229	1,020	4,675
Miscellaneous	341,755	-	-	341,755
Total revenues collected	7,425,133	187,715	1,441,076	9,053,924
EXPENDITURES PAID				
Current				
General government	1,580,834	120,123	30,709	1,731,666
Public safety	3,241,646	-	-	3,241,646
Public works	812,994	-	96,931	909,925
Community development	256,894	-	-	256,894
Capital outlay	99,350	83,031	598,576	780,957
Debt service				
Principal retirement	-	-	590,000	590,000
Interest and fiscal charges	-	-	594,600	594,600
Total expenditures paid	5,991,718	203,154	1,910,816	8,105,688
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	1,433,415	(15,439)	(469,740)	948,236
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	410,156	410,156
Transfers (out)	(350,000)	-	(60,156)	(410,156)
Total other financing sources (uses)	(350,000)	-	350,000	-
NET CHANGE IN FUND BALANCES	1,083,415	(15,439)	(119,740)	948,236
FUND BALANCES, MAY 1	5,289,586	955,737	1,893,599	8,138,922
FUND BALANCES, APRIL 30	\$ 6,373,001	\$ 940,298	\$ 1,773,859	\$ 9,087,158

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, 2013

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 948,236
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	1,123,731
The transfer of capital assets from governmental activities to business-type activities is reported as a transfer in the statement of activities	(100,000)
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	(663,705)
Amortization	(51,291)
Less amount reported in internal service funds below	7,739
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	590,000
The change in net position of internal service funds is in governmental funds	<u>280,451</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 2,135,161</u></u>

See accompanying notes to financial statements.

VILLAGE OF ROUND LAKE, ILLINOIS

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

April 30, 2013

	Water and Sewer	Nonmajor Enterprise Fund	Total	Internal Service
ASSETS				
Cash and investments	\$ 7,448,689	\$ 296,090	\$ 7,744,779	\$ 210,809
Capital assets not being depreciated	593,396	100,000	693,396	-
Capital assets (net of accumulated depreciation)	33,012,406	-	33,012,406	69,642
Total assets	41,054,491	396,090	41,450,581	280,451
LIABILITIES				
Current liabilities				
Other liabilities	42,848	-	42,848	-
Noncurrent liabilities				
Due within one year	110,000	-	110,000	-
Due within more than one year	845,000	-	845,000	-
Total liabilities	997,848	-	997,848	-
NET POSITION				
Net investment in capital assets	32,650,802	100,000	32,750,802	69,642
Unrestricted	7,405,841	296,090	7,701,931	210,809
TOTAL NET POSITION	\$ 40,056,643	\$ 396,090	\$ 40,452,733	\$ 280,451

See accompanying notes to financial statements.

VILLAGE OF ROUND LAKE, ILLINOIS

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

For the Year Ended April 30, 2013

	Water and Sewer Fund	Nonmajor Enterprise Fund	Total	Internal Service
OPERATING REVENUES				
Charges for services	\$ 3,893,251	\$ 89,403	\$ 3,982,654	\$ -
Interfund contributions	-	-	-	301,536
Miscellaneous	62,835	-	62,835	-
Total operating revenues	3,956,086	89,403	4,045,489	301,536
OPERATING EXPENSES				
Operations	3,170,976	34,115	3,205,091	13,355
Total operating expenses	3,170,976	34,115	3,205,091	13,355
OPERATING INCOME				
BEFORE DEPRECIATION	785,110	55,288	840,398	288,181
Depreciation	1,087,034	-	1,087,034	7,739
OPERATING INCOME (LOSS)	(301,924)	55,288	(246,636)	280,442
NONOPERATING REVENUES (EXPENSES)				
Investment income	(6,020)	26	(5,994)	9
Interest expense	(30,898)	(42)	(30,940)	-
Total nonoperating revenues (expenses)	(36,918)	(16)	(36,934)	9
CONTRIBUTIONS	428,485	100,000	528,485	-
CHANGE IN NET POSITION	89,643	155,272	244,915	280,451
NET POSITION, MAY 1	39,967,000	240,818	40,207,818	-
NET POSITION, APRIL 30	\$ 40,056,643	\$ 396,090	\$ 40,452,733	\$ 280,451

See accompanying notes to financial statements.

VILLAGE OF ROUND LAKE, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended April 30, 2013

	Water and Sewer Fund	Nonmajor Enterprise Fund	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 3,960,829	\$ 89,403	\$ 4,050,232	\$ -
Receipts from interfund services	-	-	-	301,536
Payments to suppliers	(3,100,755)	(34,115)	(3,134,870)	(13,355)
Payments for interfund services	(70,221)	-	(70,221)	-
Net cash from operating activities	789,853	55,288	845,141	288,181
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
None	-	-	-	-
Net cash from noncapital financing activities	-	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital assets purchased	(593,689)	-	(593,689)	(77,381)
Bond principal payments	(105,000)	-	(105,000)	-
Note principal payments	-	(11,174)	(11,174)	-
Bond interest payments	(30,898)	-	(30,898)	-
Note interest payments	-	(42)	(42)	-
Net cash from capital and related financing activities	(729,587)	(11,216)	(740,803)	(77,381)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	(6,020)	26	(5,994)	9
Net cash from investing activities	(6,020)	26	(5,994)	9
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
	54,246	44,098	98,344	210,809
CASH AND CASH EQUIVALENTS, MAY 1				
	7,394,443	251,992	7,646,435	-
CASH AND CASH EQUIVALENTS, APRIL 30				
	\$ 7,448,689	\$ 296,090	\$ 7,744,779	\$ 210,809
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ (301,924)	\$ 55,288	\$ (246,636)	\$ 280,442
Adjustments to reconcile operating income (loss) to net cash from operating activities				
Depreciation	1,087,034	-	1,087,034	7,739
Other liabilities	4,743	-	4,743	-
NET CASH FROM OPERATING ACTIVITIES	\$ 789,853	\$ 55,288	\$ 845,141	\$ 288,181
NONCASH TRANSACTIONS				
Developer contributions	\$ 428,485	\$ -	\$ 428,485	\$ -
Transfer of capital assets	-	100,000	100,000	-
TOTAL NONCASH TRANSACTIONS	\$ 428,485	\$ 100,000	\$ 528,485	\$ -

See accompanying notes to financial statements.

VILLAGE OF ROUND LAKE, ILLINOIS

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

April 30, 2013

	Pension Trust Fund	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 208,207	\$ 1,559,881
Investments		
U.S. Treasury obligations	773,381	-
U.S. agency obligations	1,032,343	-
Corporate bonds	653,565	-
Money market mutual funds	116,054	-
Mutual funds	2,229,064	-
	<u>5,012,614</u>	<u>\$ 1,559,881</u>
LIABILITIES		
Deposits payable	-	\$ 57,556
Due to other funds	-	31
Other payables	-	1,502,294
	<u>-</u>	<u>\$ 1,559,881</u>
NET POSITION HELD IN TRUST FOR PENSION BENEFITS		
	<u>\$ 5,012,614</u>	

See accompanying notes to financial statements.

VILLAGE OF ROUND LAKE, ILLINOIS

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

For the Year Ended April 30, 2013

ADDITIONS	
Contributions - employer	\$ 395,437
Contributions - employee	157,634
Contributions - other	<u>578</u>
Total contributions	<u>553,649</u>
Investment income	
Net appreciation in fair value of investments	253,989
Interest earned on investments	<u>80,156</u>
Total investment income	334,145
Less investment expense	<u>(18,016)</u>
Net investment income	<u>316,129</u>
Total additions	<u>869,778</u>
DEDUCTIONS	
Benefits and refunds	
Retirement pension	223,150
Disability pension	112,599
Refund of contribution	80,633
Administrative	<u>15,653</u>
Total deductions	<u>432,035</u>
NET INCREASE	437,743
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	
May 1	<u>4,574,871</u>
April 30	<u><u>\$ 5,012,614</u></u>

See accompanying notes to financial statements.

VILLAGE OF ROUND LAKE, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2013

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 Village's financial statements include a pension trust fund:

Police Pension Employees Retirement System

The Village's police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's President, one pension beneficiary elected by the membership and two police employees elected by the membership constitute the pension board. The Village and PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many of the characteristics of a legally separate government, PPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the Village's police employees and because of the fiduciary nature of such activities. PPERS is reported as a pension trust fund.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

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 restricted or committed monies (special revenue funds), the funds committed, restricted or assigned for the acquisition or construction of capital assets (capital projects funds), the funds committed, restricted or assigned for the servicing of long-term debt (debt service funds) and the management of funds held in trust where the interest earnings can be used for governmental services (permanent fund). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful 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).

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 position 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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 accounted for in another fund.

The Capital Projects Fund is used to account for resources assigned for village-wide capital projects. The Village has elected to report this fund as major.

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 position 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 and deferred outflows of resources, respectively, on the statement of net position 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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, 2013 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/statement of net position. 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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Capital Assets (Continued)

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

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 Position

In the fund financial statements, governmental funds can report nonspendable fund balance for amounts that are either not spendable in form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance result from enabling legislation adopted by the Village. Committed fund balance is constrained by formal actions of the Village's Board of Trustees, which is considered the Village's highest level of decision making authority. Formal actions include ordinances approved by the Board of Trustees. Assigned fund balance represents amounts constrained by the Village's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Village Administrator; however, this has not been authorized through a formal policy. Any residual fund balance in the General Fund is reported as unassigned.

The Village's flow of funds assumption specified that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending the Village considers committed funds to be expended first followed by assigned and then unassigned funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Fund Balance/Net Position (Continued)

In the government-wide financial statements, restricted net position are legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the book value of capital assets less any long-term debt principal outstanding issued to construct capital assets.

j. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

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.

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.

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

2. DEPOSITS AND INVESTMENTS (Continued)

Village Investments

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 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.

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 45% 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, 2013:

	Fair Value	Investment Maturities in Years			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Treasury	\$ 773,381	\$ 193,901	\$ 302,101	\$ 277,379	\$ -
U.S. agency securities	1,032,343	47,882	210,387	24,447	749,627
Corporate bonds	653,565	137,799	423,709	92,057	-
TOTAL	\$ 2,459,289	\$ 379,582	\$ 936,197	\$ 393,883	\$ 749,627

2. DEPOSITS AND INVESTMENTS (Continued)

Police Pension Investments (Continued)

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.

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 2012 were levied in December 2012 and are normally received monthly beginning in June and generally ending by December 2013.

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

4. CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year ended April 30, 2013 was as follows:

	Balances May 1	Increases	Decreases	Balances April 30
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 12,103,716	\$ 22,767	\$ 100,000	\$ 12,026,483
Construction in progress	255,574	752,404	-	1,007,978
Total capital assets not being depreciated	12,359,290	775,171	100,000	13,034,461
Capital assets being depreciated				
Buildings	9,865,131	-	-	9,865,131
Land improvements	877,587	-	-	877,587
Vehicles and equipment	1,869,311	99,867	-	1,969,178
Infrastructure	16,574,321	326,074	-	16,900,395
Total capital assets being depreciated	29,186,350	425,941	-	29,612,291
Less accumulated depreciation for				
Buildings	1,615,949	227,425	-	1,843,374
Land improvements	462,927	34,252	-	497,179
Vehicles and equipment	1,654,808	67,281	-	1,722,089
Infrastructure	1,735,486	334,747	-	2,070,233
Total accumulated depreciation	5,469,170	663,705	-	6,132,875
Total capital assets being depreciated, net	23,717,180	(237,764)	-	23,479,416
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET				
	\$ 36,076,470	\$ 537,407	\$ 100,000	\$ 36,513,877

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

GOVERNMENTAL ACTIVITIES	
General government	\$ 278,279
Public safety	46,162
Public works	335,766
Community development	3,498
TOTAL	\$ 663,705

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

4. CAPITAL ASSETS (Continued)

Business-Type Activities

Business-type capital asset activity for the year ended April 30, 2013 was as follows:

	Balances May 1	Increases	Decreases	Balances April 30
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Construction in progress	\$ 20,721	\$ 542,675	\$ -	\$ 563,396
Land	30,000	100,000	-	130,000
Total capital assets not being depreciated	50,721	642,675	-	693,396
Capital assets being depreciated				
Infrastructure	42,526,036	428,485	-	42,954,521
Vehicles and equipment	644,989	51,014	-	696,003
Total capital assets being depreciated	43,171,025	479,499	-	43,650,524
Less accumulated depreciation for				
Infrastructure	8,961,419	1,064,927	-	10,026,346
Vehicles and equipment	589,665	22,107	-	611,772
Total accumulated depreciation	9,551,084	1,087,034	-	10,638,118
Total capital assets being depreciated, net	33,619,941	(607,535)	-	33,012,406
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	\$ 33,670,662	\$ 35,140	\$ -	\$ 33,705,802

5. LONG-TERM DEBT

A summary of long-term debt of the Village for the year ended April 30, 2013 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 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.	2005 Bonds Debt Service	\$ 1,454,000	\$ -	\$ 215,000	\$ 1,239,000	\$ 225,000

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 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.	2010 Bonds Debt Service	\$ 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.	2010 Bonds Debt Service	1,050,000	-	110,000	940,000	110,000
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	1,060,000	-	105,000	955,000	105,000
General Obligation (Alternate Revenue Source) Refunding Bonds, Series 2011, are due in annual installments ranging from \$20,000 to \$500,000 through January 1, 2022, interest rates range from 2.00% to 4.00%, and payments are due semiannually on January 1 and July 1.	2011 Bonds Debt Service	2,955,000	-	20,000	2,935,000	285,000
TOTAL		\$ 15,619,000	\$ -	\$ 450,000	\$ 15,169,000	\$ 730,000

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

5. LONG-TERM DEBT (Continued)

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	\$ 245,000	\$ -	\$ 245,000	\$ -	\$ -
TOTAL		\$ 245,000	\$ -	\$ 245,000	\$ -	\$ -

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.	Commuter Parking Lot Fund	\$ 11,174	\$ -	\$ 11,174	\$ -	\$ -
TOTAL		\$ 11,174	\$ -	\$ 11,174	\$ -	\$ -

d. Long-Term Liabilities Summarized

Transactions for the year ended April 30, 2013 are summarized as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental Activities					
General obligation bonds	\$ 14,559,000	\$ -	\$ 345,000	\$ 14,214,000	\$ 620,000
Debt certificates	245,000	-	245,000	-	-
Unamortized premium on bonds	161,182	-	16,118	145,064	-
Total governmental activities	14,965,182	-	606,118	14,359,064	620,000
Business-Type Activities					
General obligation bonds	1,060,000	-	105,000	955,000	110,000
Notes payable	11,174	-	11,174	-	-
Total business-type activities	1,071,174	-	116,174	955,000	110,000
TOTAL GOVERNMENT	\$ 16,036,356	\$ -	\$ 722,292	\$ 15,314,064	\$ 730,000

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

5. LONG-TERM DEBT (Continued)

e. Debt Service to Maturity

The annual requirements to amortize all debt outstanding of the Village as of April 30, 2013 are as follows:

Bonds

Fiscal Year	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2014	\$ 620,000	\$ 562,560	\$ 1,182,560	\$ 110,000	\$ 28,283	\$ 138,283
2015	629,000	545,835	1,174,835	110,000	25,808	135,808
2016	645,000	526,765	1,171,765	115,000	23,333	138,333
2017	725,000	506,635	1,231,635	115,000	20,458	135,458
2018	755,000	481,885	1,236,885	120,000	17,583	137,583
2019-2023	4,365,000	1,970,281	6,335,281	385,000	28,298	413,298
2024-2028	5,155,000	1,030,132	6,185,132	-	-	-
2029	1,320,000	61,380	1,381,380	-	-	-
TOTAL	\$14,214,000	\$ 5,685,473	\$ 19,899,473	\$ 955,000	\$ 143,763	\$ 1,098,763

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. No SSA One Bonds were outstanding at April 30, 2013, and Refunding Bonds outstanding at April 30, 2013 were \$12,180,000.

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. No SSA Three Bonds were outstanding at April 30, 2013, and Refunding Bonds outstanding at April 30, 2013 were \$3,691,000.

5. LONG-TERM DEBT (Continued)

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

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. No SSA Four Bonds were outstanding at April 30, 2013, and Refunding Bonds outstanding at April 30, 2013 were \$5,329,000.

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. Alternate Revenue Bonds

The Village has pledged future simplified telecommunications tax, electric utility tax, and natural gas tax revenues (collectively, the utility taxes) to repay the General Obligation (Alternate Revenue Source) Bonds, Series 2005 and the General Obligation (Alternate Revenue Source) Refunding Bonds, Series 2010A, 2010B, and 2011. The bonds are payable from the utility taxes and ad valorem taxes and are payable through 2029. The total principal and interest remaining to be paid on the bonds is \$19,899,473. Principal and interest paid for the current year and total net revenues, excluding ad valorem taxes, were \$1,184,600 and \$906,791, respectively.

The Village has pledged future water and sewer revenue to repay the General Obligation (Alternate Revenue Source) Refunding Bonds, Series 2010C. The bonds are payable from the water and sewer revenues and ad valorem taxes and are payable through 2021. The total principal and interest remaining to be paid on the bonds is \$1,098,763. Principal and interest paid for the current year and total net revenues were \$135,383 and \$3,893,251, respectively.

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

6. INTERFUND ACTIVITY

Interfund transfers during the year ended April 30, 2013 consisted of the following:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ -	\$ 350,000
Nonmajor Governmental Funds	410,156	60,156
	<hr/>	<hr/>
TOTAL	<u>\$ 410,156</u>	<u>\$ 410,156</u>

Significant transfers between funds for the year ended April 30, 2012 consist of the following:

- \$350,000 and \$60,156 transferred from the General Fund and Nonmajor Governmental Funds, respectively to Nonmajor Governmental Funds to support debt service payments for the 2010 debt series. The transfers will not be repaid.

Interfund payables and receivables at April 30, 2013 consisted of the following:

	<u>Payable Fund</u>	<u>Receivable Fund</u>
General Fund	\$ -	\$ 31
Agency Funds	31	-
	<hr/>	<hr/>
TOTAL	<u>\$ 31</u>	<u>\$ 31</u>

Interfund payables and receivables at April 30, 2013 consist of the following:

- \$31 payable to the General Fund from Agency Funds represents interest earned on cash balances in those funds. Repayment is expected within one year.

7. RISK MANAGEMENT

The Village purchases property, auto, general liability, public officials bonds and health, dental, vision and life insurance from various insurance brokers for the benefit of its employees. Losses have not exceeded coverage in the current year or the preceding two years.

Illinois Public Risk Fund

The Village participates in the Illinois Public Risk Fund (IPRF). IPRF is an organization of Illinois municipalities and special districts in Illinois which have formed an association under the Illinois Intergovernmental Cooperations Statute to pool its workers' compensation needs.

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

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.

c. The Village's contract with Solid Waste Agency of Lake County (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 II	Phase II engineering for Hart Road between Route 134 and Cedar Lake Road.	\$ 36,108	\$ 229,800
Wildspring & Nippersink Project Construction	Construction engineering services for roadway project.	215,989	305,653
Park Avenue Watermain Replacement Construction	Construction services for Park Road watermain replacement.	289,526	318,862
Lakewood Terrace Phase I Construction	Construction services for Lakewood Terrace Phase I.	392,576	403,603

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.

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. The Village made no payments to SWALCO during the current fiscal year.

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, 2013.

CenCom E-911 Joint Emergency Telephone System (CenCom)

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.

9. JOINT VENTURES (Continued)

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

At April 30, 2013, 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 \$245,206. 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.

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions and Provisions (Continued)

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 2012 was 11.81% of covered payroll.

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 2012 was 0.00% of covered payroll as the Village had no participants in SLEP.

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, 2012, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	8
Terminated employees entitled to benefits but not yet receiving them	0
Current employees	
Vested	6
Nonvested	14
	<hr/>
TOTAL	<u>28</u>

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Police Pension Plan (Continued)

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 proceeding 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, 2013 was 22.80% 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 position 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, 2010	December 31, 2010	April 30, 2011
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	29 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)	2011	N/A	167,420	409,081
	2012	N/A	164,453	462,910
	2013	N/A	150,005	438,745
Actual contribution	2011	N/A	165,731	294,349
	2012	N/A	164,417	314,268
	2013	N/A	149,968	395,437
Percentage of APC contributed	2011	N/A	98.99%	71.95%
	2012	N/A	99.98%	67.89%
	2013	N/A	99.98%	90.13%
NPO (asset)	2011	N/A	1,689	217,649
	2012	N/A	1,725	366,291
	2013	N/A	1,762	412,221

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, 2013:

	Illinois Municipal Retirement	Police Pension
Annual required contributions	\$ 149,968	\$ 428,533
Interest on net pension obligation	129	25,824
Adjustment to annual required contribution	(92)	(15,612)
Annual pension cost	150,005	438,745
Contributions made	149,968	395,437
Increase in net pension obligation	37	43,308
Net pension obligation, May 1	1,725	368,913
NET PENSION OBLIGATION, APRIL 30	\$ 1,762	\$ 412,221

Funded Status and Funding Progress: Based on actuarial valuations as of December 31, 2012 and April 30, 2012, the funded status of the plans as of April 30, 2013 was as follows:

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension
Actuarial accrued liability (AAL)	\$ 2,813,782	\$ -	\$ 7,989,295
Actuarial value of plan assets	2,298,161	55,948	4,574,871
Unfunded actuarial accrued liability (UAAL)	515,621	(55,948)	3,414,424
Funded ratio (actuarial value of plan assets/AAL)	81.68%	0.00%	57.26%
Covered payroll (active plan members)	\$ 1,293,636	\$ -	\$ 1,378,412
UAAL as a percentage of covered payroll	39.86%	0.00%	247.71%

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.

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, 2013, membership consisted of:

Retirees and beneficiaries currently receiving benefits	3
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>43</u>
 TOTAL	 <u><u>46</u></u>
 Participating Employers	 <u><u>1</u></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.

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

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for 2013 and the two preceding years is as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
April 30, 2011	25,241	17,845	70.70%	16,411
April 30, 2012	25,365	9,088	35.83%	32,688
April 30, 2013	25,449	3,061	12.03%	55,076

The net OPEB obligation as of April 30, 2013 was calculated as follows:

Annual required contribution	\$ 25,091
Interest on net OPEB obligation	1,634
Adjustment to annual required contribution	<u>(1,276)</u>
Annual OPEB cost	25,449
Contributions made	<u>3,061</u>
Increase in net OPEB obligation	22,388
Net OPEB obligation, beginning of year	<u>32,688</u>
NET OPEB OBLIGATION, END OF YEAR	<u>\$ 55,076</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, 2013 was as follows:

Actuarial accrued liability (AAL)	\$ 285,903
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	285,903
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$ 2,707,531
UAAL as a percentage of covered payroll	10.56%

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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.

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, 2013 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 5.0%. Both rates include a 3.0% inflation assumption and 4.5% 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, 2013 was 30 years.

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

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, 2013

	Original and Final Budget	Actual
REVENUES COLLECTED		
Property taxes	\$ 3,056,465	\$ 3,490,479
Charges for service	563,575	570,303
Licenses and permits	76,234	120,968
Intergovernmental	2,249,908	2,723,142
Fines	196,000	176,060
Franchise fees	215,500	222,849
Investment income	12,500	2,426
Miscellaneous income	100,200	118,906
	<u>6,470,382</u>	<u>7,425,133</u>
EXPENDITURES PAID		
Current		
General government	1,692,111	1,580,834
Public safety	3,153,746	3,241,646
Public works	828,664	812,994
Community development	267,280	256,894
Capital outlay	165,710	99,350
	<u>6,107,511</u>	<u>5,991,718</u>
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	362,871	1,433,415
OTHER FINANCING SOURCES (USES)		
Transfers (out)	<u>(350,000)</u>	<u>(350,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 12,871</u>	1,083,415
FUND BALANCE, MAY 1		<u>5,289,586</u>
FUND BALANCE, APRIL 30		<u>\$ 6,373,001</u>

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

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

For the Year Ended April 30, 2013

	Original and Final Budget	Actual
EXPENDITURES PAID		
General government		
Administration		
Personal services	\$ 344,230	\$ 332,328
Taxes, pensions and insurance	95,750	90,257
Contractual services	1,136,121	1,098,164
Commodities	9,040	7,502
Repairs and replacement	67,969	32,121
Miscellaneous	39,001	20,462
Total administration	1,692,111	1,580,834
Capital outlay	76,589	52,993
Public safety		
Police		
Personal services	2,006,686	1,852,703
Taxes, pensions and insurance	414,550	754,966
Contractual services	395,016	350,249
Commodities	107,846	91,432
Repairs and replacement	75,782	31,714
Miscellaneous	153,866	160,582
Total police	3,153,746	3,241,646
Capital outlay	26,107	16,354
Public works		
Public works department		
Personal services	278,662	256,939
Taxes, pensions and insurance	110,838	87,061
Contractual services	135,793	123,334
Commodities	127,534	143,188
Repairs and replacement	175,837	202,472
Total public works	828,664	812,994
Capital outlay	61,522	29,240

(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, 2013

	Original and Final Budget	Actual
EXPENDITURES PAID (Continued)		
Community development		
Building department		
Personal services	\$ 156,375	\$ 157,745
Taxes, pensions and insurance	78,486	55,893
Contractual services	22,383	20,076
Commodities	8,545	6,005
Repairs and replacement	1,491	17,175
Total building department	267,280	256,894
Capital outlay	1,492	763
TOTAL EXPENDITURES PAID	\$ 6,107,511	\$ 5,991,718

(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, 2013

	Original and Final Budget	Actual
REVENUES COLLECTED		
Utility tax	\$ 187,500	\$ 131,827
Intergovernmental	130,302	23,051
Impact fees	-	31,608
Investment income	2,193	1,229
	<u>319,995</u>	<u>187,715</u>
EXPENDITURES PAID		
Current		
General government		
Contractual services	268,105	120,123
Capital outlay	179,000	83,031
	<u>447,105</u>	<u>203,154</u>
NET CHANGE IN FUND BALANCE	<u>\$ (127,110)</u>	(15,439)
FUND BALANCE, MAY 1		<u>955,737</u>
FUND BALANCE, APRIL 30		<u>\$ 940,298</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, 2013

	Special Revenue		Debt
	Motor Fuel Tax	Bright Meadows SSA #1	Service 2005 Bonds Debt Service
ASSETS			
Cash and investments	\$ 926,529	\$ 107,631	\$ 23,196
TOTAL ASSETS	\$ 926,529	\$ 107,631	\$ 23,196
LIABILITIES AND FUND BALANCES			
LIABILITIES			
None	\$ -	\$ -	\$ -
Total liabilities	-	-	-
FUND BALANCES			
Restricted			
Streets	926,529	-	-
Working cash	-	-	-
Debt service	-	-	23,196
Specific purpose	-	107,631	-
Total fund balances	926,529	107,631	23,196
TOTAL LIABILITIES AND FUND BALANCES	\$ 926,529	\$ 107,631	\$ 23,196

2003 Bonds Debt Service	Debt Service		2011 Bonds Debt Service	Permanent		Total
	2010 Bonds Debt Service			Working Cash		
\$ -	\$ 5,301	\$ 45,925	\$ 665,277	\$ 1,773,859		
\$ -	\$ 5,301	\$ 45,925	\$ 665,277	\$ 1,773,859		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	-	
-	-	-	-	-	926,529	
-	-	-	665,277	-	665,277	
-	5,301	45,925	-	-	74,422	
-	-	-	-	-	107,631	
-	5,301	45,925	665,277	1,773,859		
\$ -	\$ 5,301	\$ 45,925	\$ 665,277	\$ 1,773,859		

(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, 2013

	Special Revenue		Debt Service
	Motor Fuel Tax	Bright Meadows SSA #1	2005 Bonds Debt Service
REVENUES COLLECTED			
Property taxes	\$ -	\$ 23,970	\$ -
Utility taxes	-	-	250,062
Intergovernmental			
Motor fuel tax	484,490	-	-
Other	150,201	-	-
Investment income	742	55	76
Total revenues collected	635,433	24,025	250,138
EXPENDITURES PAID			
Current			
General government	-	21,009	-
Public works	96,931	-	-
Capital outlay	598,576	-	-
Debt service			
Principal	-	-	215,000
Interest and fiscal charges	-	-	58,630
Total expenditures paid	695,507	21,009	273,630
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	(60,074)	3,016	(23,492)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	-	-	-
NET CHANGE IN FUND BALANCES	(60,074)	3,016	(23,492)
FUND BALANCES, MAY 1	986,603	104,615	46,688
FUND BALANCES, APRIL 30	\$ 926,529	\$ 107,631	\$ 23,196

2003 Bonds Debt Service	Debt Service		Permanent		Total
	2010 Bonds Debt Service	2011 Bonds Debt Service	Working Cash		
\$ -	\$ -	\$ -	\$ 6,430	\$ 30,400	
268,964	97,837	158,102	-	774,965	
-	-	-	-	484,490	
-	-	-	-	150,201	
75	(3)	19	56	1,020	
269,039	97,834	158,121	6,486	1,441,076	
9,700	-	-	-	30,709	
-	-	-	-	96,931	
-	-	-	-	598,576	
245,000	110,000	20,000	-	590,000	
11,980	422,700	101,290	-	594,600	
266,680	532,700	121,290	-	1,910,816	
2,359	(434,866)	36,831	6,486	(469,740)	
-	410,156	-	-	410,156	
(60,156)	-	-	-	(60,156)	
(60,156)	410,156	-	-	350,000	
(57,797)	(24,710)	36,831	6,486	(119,740)	
57,797	30,011	9,094	658,791	1,893,599	
\$ -	\$ 5,301	\$ 45,925	\$ 665,277	\$ 1,773,859	

(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, 2013

	Original and Final Budget	Actual
REVENUES COLLECTED		
Intergovernmental		
Motor fuel tax	\$ 500,363	\$ 484,490
Other	149,234	150,201
Investment income	2,452	742
	<u>652,049</u>	<u>635,433</u>
Total revenues collected		
EXPENDITURES PAID		
Current		
Public works		
Contractual services	15,050	10,672
Commodities	78,915	61,246
Repairs and replacement	2,324	13
Administrative charges	25,000	25,000
Capital outlay	835,873	598,576
	<u>957,162</u>	<u>695,507</u>
Total expenditures paid		
NET CHANGE IN FUND BALANCE	<u>\$ (305,113)</u>	(60,074)
FUND BALANCE, MAY 1		<u>986,603</u>
FUND BALANCE, APRIL 30		<u>\$ 926,529</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, 2013

	Original and Final Budget	Actual
REVENUES COLLECTED		
Property taxes	\$ 23,730	\$ 23,970
Investment income	249	55
Total revenues collected	<u>23,979</u>	<u>24,025</u>
EXPENDITURES PAID		
Current		
General government		
Contractual services	<u>27,482</u>	<u>21,009</u>
Total expenditures paid	<u>27,482</u>	<u>21,009</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (3,503)</u></u>	3,016
FUND BALANCE, MAY 1		<u>104,615</u>
FUND BALANCE, APRIL 30		<u><u>\$ 107,631</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
 2005 BONDS DEBT SERVICE FUND

For the Year Ended April 30, 2013

	Original and Final Budget	Actual
REVENUES COLLECTED		
Utility taxes	\$ 274,770	\$ 250,062
Investment income	110	76
Total revenues collected	<u>274,880</u>	<u>250,138</u>
EXPENDITURES PAID		
Debt service		
Principal	215,000	215,000
Interest and fiscal charges	58,866	58,630
Total expenditures paid	<u>273,866</u>	<u>273,630</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 1,014</u></u>	(23,492)
FUND BALANCE, MAY 1		<u>46,688</u>
FUND BALANCE, APRIL 30		<u><u>\$ 23,196</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, 2013

	Original and Final Budget	Actual
REVENUES COLLECTED		
Utility taxes	\$ 266,250	\$ 268,964
Investment income	168	75
Total revenues collected	<u>266,418</u>	<u>269,039</u>
EXPENDITURES PAID		
Current		
General government		
Utilities	7,500	9,700
Debt service		
Principal	245,000	245,000
Interest and fiscal charges	12,765	11,980
Total expenditures paid	<u>265,265</u>	<u>266,680</u>
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	<u>1,153</u>	<u>2,359</u>
OTHER FINANCING SOURCES (USES)		
Transfers (out)	<u>(68,509)</u>	<u>(60,156)</u>
Total other financing sources (uses)	<u>(68,509)</u>	<u>(60,156)</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (67,356)</u></u>	(57,797)
FUND BALANCE, MAY 1		<u>57,797</u>
FUND BALANCE, APRIL 30		<u><u>\$ -</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, 2013

	Original and Final Budget	Actual
REVENUES COLLECTED		
Utility taxes	\$ 120,070	\$ 97,837
Investment income	96	(3)
Total revenues collected	<u>120,166</u>	<u>97,834</u>
EXPENDITURES PAID		
Debt service		
Principal	110,000	110,000
Interest and fiscal charges	422,421	422,700
Total expenditures paid	<u>532,421</u>	<u>532,700</u>
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	<u>(412,255)</u>	<u>(434,866)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	<u>418,509</u>	<u>410,156</u>
Total other financing sources (uses)	<u>418,509</u>	<u>410,156</u>
NET CHANGE IN FUND BALANCE	<u>\$ 6,254</u>	(24,710)
FUND BALANCE, MAY 1		<u>30,011</u>
FUND BALANCE, APRIL 30		<u>\$ 5,301</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
2011 BONDS DEBT SERVICE FUND

For the Year Ended April 30, 2013

	Original and Final Budget	Actual
REVENUES COLLECTED		
Utility taxes	\$ 163,410	\$ 158,102
Investment income	23	19
Total revenues collected	<u>163,433</u>	<u>158,121</u>
EXPENDITURES PAID		
Debt service		
Principal	20,000	20,000
Interest and fiscal charges	101,795	101,290
Total expenditures paid	<u>121,795</u>	<u>121,290</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 41,638</u></u>	36,831
FUND BALANCE, MAY 1		<u>9,094</u>
FUND BALANCE, APRIL 30		<u><u>\$ 45,925</u></u>

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

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

For the Year Ended April 30, 2013

	Original and Final Budget	Actual
REVENUES COLLECTED		
Property tax	\$ 3,598	\$ 6,430
Investment income	71	56
Total revenues collected	<u>3,669</u>	<u>6,486</u>
EXPENDITURES PAID		
None	-	-
Total expenditures paid	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 3,669</u></u>	6,486
FUND BALANCE, MAY 1		<u>658,791</u>
FUND BALANCE, APRIL 30		<u><u>\$ 665,277</u></u>

(See independent auditor's report.)

ENTERPRISE FUNDS

VILLAGE OF ROUND LAKE, ILLINOIS

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

For the Year Ended April 30, 2013

	Original and Final Budget	Actual
OPERATING REVENUES		
Charges for services		
Water and sewer fees	\$ 3,820,036	\$ 3,893,251
Miscellaneous		
Permits and fees	-	61,600
Other	134,000	1,235
Total operating revenues	<u>3,954,036</u>	<u>3,956,086</u>
OPERATING EXPENSES EXCLUDING DEPRECIATION		
Water and sewer operations		
Personal services	434,366	399,762
Taxes, pensions and insurance	144,150	124,540
Contractual services	2,476,192	2,391,733
Commodities	57,798	57,380
Repairs and replacement	149,875	142,394
Capital outlay	1,227,847	648,856
Total operating expenses excluding depreciation	<u>4,490,228</u>	<u>3,764,665</u>
OPERATING INCOME (LOSS)	<u>(536,192)</u>	<u>191,421</u>
NONOPERATING REVENUES (EXPENSES)		
Investment income	18,420	(6,020)
Debt service		
Principal	(105,000)	(105,000)
Interest expense	(31,083)	(30,898)
Total nonoperating revenues (expenses)	<u>(117,663)</u>	<u>(141,918)</u>
NET INCOME (LOSS) - BUDGETARY BASIS	<u>\$ (653,855)</u>	<u>49,503</u>
ADJUSTMENTS TO MODIFIED CASH BASIS		
Debt principal payment		105,000
Capitalized assets		593,689
Depreciation		<u>(1,087,034)</u>
Total adjustments to modified cash basis		<u>(388,345)</u>
CONTRIBUTIONS		<u>428,485</u>
CHANGE IN NET POSITION		89,643
NET POSITION, MAY 1		<u>39,967,000</u>
NET POSITION, APRIL 30		<u>\$ 40,056,643</u>

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

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

For the Year Ended April 30, 2013

	Original and Final Budget	Actual
OPERATING REVENUES		
Charges for services		
Parking lot fees	\$ 105,000	\$ 89,403
Total operating revenues	<u>105,000</u>	<u>89,403</u>
OPERATING EXPENSES		
Parking lot operations		
Contractual services	11,990	8,912
Commodities	1,625	825
Repairs and replacement	27,250	21,801
Miscellaneous	2,225	2,577
Total operating expenses	<u>43,090</u>	<u>34,115</u>
OPERATING INCOME	<u>61,910</u>	<u>55,288</u>
NONOPERATING REVENUES (EXPENSES)		
Investment income	621	26
Principal retirement	(11,174)	(11,174)
Interest expense	(301)	(42)
Total nonoperating revenues (expenses)	<u>(10,854)</u>	<u>(11,190)</u>
NET INCOME - BUDGETARY BASIS	<u>\$ 51,056</u>	<u>44,098</u>
ADJUSTMENTS TO MODIFIED CASH BASIS		
Debt principal payment		<u>11,174</u>
Total adjustments to modified cash basis		<u>11,174</u>
CONTRIBUTIONS		<u>100,000</u>
CHANGE IN NET POSITION		155,272
NET POSITION, MAY 1		<u>240,818</u>
NET POSITION, APRIL 30		<u>\$ 396,090</u>

(See independent auditor's report.)

INTERNAL SERVICE FUNDS

VILLAGE OF ROUND LAKE, ILLINOIS

COMBINING STATEMENT OF ASSETS, LIABILITIES AND
NET POSITION ARISING FROM MODIFIED CASH BASIS
INTERNAL SERVICE FUNDS

April 30, 2013

	Vehicle Replacement	Technology Replacement	Building Replacement	Total
ASSETS				
Cash and investments	\$ 94,200	\$ 59,770	\$ 56,839	\$ 210,809
Capital assets (net of accumulated depreciation)	62,321	7,321	-	69,642
Total assets	156,521	67,091	56,839	280,451
LIABILITIES				
None	-	-	-	-
Total liabilities	-	-	-	-
NET POSITION				
Net investment in capital assets	62,321	7,321	-	69,642
Unrestricted	94,200	59,770	56,839	210,809
TOTAL NET POSITION	\$ 156,521	\$ 67,091	\$ 56,839	\$ 280,451

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES
PAID AND CHANGES IN NET POSITION - MODIFIED CASH BASIS
INTERNAL SERVICE FUNDS

For the Year Ended April 30, 2013

	Vehicle Replacement	Technology Replacement	Building Replacement	Total
OPERATING REVENUES				
Contributions	\$ 169,700	\$ 75,000	\$ 56,836	\$ 301,536
Total operating revenues	169,700	75,000	56,836	301,536
OPERATING EXPENSES				
Capital outlay	6,257	7,098	-	13,355
Total operating expenses	6,257	7,098	-	13,355
OPERATING INCOME BEFORE DEPRECIATION				
	163,443	67,902	56,836	288,181
Depreciation	6,925	814	-	7,739
OPERATING INCOME (LOSS)				
	156,518	67,088	56,836	280,442
NONOPERATING REVENUES (EXPENSES)				
Investment income	3	3	3	9
Total nonoperating revenues (expenses)	3	3	3	9
CHANGE IN NET POSITION				
	156,521	67,091	56,839	280,451
NET POSITION, MAY 1				
	-	-	-	-
NET POSITION, APRIL 30				
	\$ 156,521	\$ 67,091	\$ 56,839	\$ 280,451

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS

For the Year Ended April 30, 2013

	Vehicle Replacement	Technology Replacement	Building Replacement	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from interfund services	\$ 169,700	\$ 75,000	\$ 56,836	\$ 301,536
Payments to suppliers	(6,257)	(7,098)	-	(13,355)
Net cash from operating activities	163,443	67,902	56,836	288,181
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
None	-	-	-	-
Net cash from noncapital financing activities	-	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital assets purchased	(69,246)	(8,135)	-	(77,381)
Net cash from capital and related financing activities	(69,246)	(8,135)	-	(77,381)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	3	3	3	9
Net cash from investing activities	3	3	3	9
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	94,200	59,770	56,839	210,809
CASH AND CASH EQUIVALENTS, MAY 1	-	-	-	-
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 94,200	\$ 59,770	\$ 56,839	\$ 210,809
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ 156,518	\$ 67,088	\$ 56,836	\$ 280,442
Adjustments to reconcile operating income (loss) to net cash from operating activities				
Depreciation	6,925	814	-	7,739
NET CASH FROM OPERATING ACTIVITIES	\$ 163,443	\$ 67,902	\$ 56,836	\$ 288,181

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL - MODIFIED CASH BASIS
VEHICLE REPLACEMENT FUND

For the Year Ended April 30, 2013

	Original and Final Budget	Actual
OPERATING REVENUES		
Contributions		
General Fund	\$ 126,018	\$ 126,018
Water and Sewer Fund	43,682	43,682
Total operating revenues	<u>169,700</u>	<u>169,700</u>
OPERATING EXPENSES EXCLUDING DEPRECIATION		
Capital outlay	<u>104,100</u>	<u>75,503</u>
Total operating expenses excluding depreciation	<u>104,100</u>	<u>75,503</u>
OPERATING INCOME	<u>65,600</u>	<u>94,197</u>
NONOPERATING REVENUES (EXPENSES)		
Investment income	<u>82</u>	<u>3</u>
Total nonoperating revenues (expenses)	<u>82</u>	<u>3</u>
NET INCOME - BUDGETARY BASIS	<u>\$ 65,682</u>	<u>94,200</u>
ADJUSTMENTS TO MODIFIED CASH BASIS		
Capitalized assets		69,246
Depreciation		<u>(6,925)</u>
Total adjustments to modified cash basis		<u>62,321</u>
CHANGE IN NET POSITION		156,521
NET POSITION, MAY 1		<u>-</u>
NET POSITION, APRIL 30		<u>\$ 156,521</u>

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL - MODIFIED CASH BASIS
TECHNOLOGY REPLACEMENT FUND

For the Year Ended April 30, 2013

	Original and Final Budget	Actual
OPERATING REVENUES		
Contributions		
General Fund	\$ 58,000	\$ 58,000
Water and Sewer Fund	17,000	17,000
Total operating revenues	<u>75,000</u>	<u>75,000</u>
OPERATING EXPENSES EXCLUDING DEPRECIATION		
Capital outlay	<u>15,052</u>	<u>15,233</u>
Total operating expenses excluding depreciation	<u>15,052</u>	<u>15,233</u>
OPERATING INCOME	<u>59,948</u>	<u>59,767</u>
NONOPERATING REVENUES (EXPENSES)		
Investment income	<u>75</u>	<u>3</u>
Total nonoperating revenues (expenses)	<u>75</u>	<u>3</u>
NET INCOME - BUDGETARY BASIS	<u>\$ 60,023</u>	<u>59,770</u>
ADJUSTMENTS TO MODIFIED CASH BASIS		
Capitalized assets		8,135
Depreciation		<u>(814)</u>
Total adjustments to modified cash basis		<u>7,321</u>
CHANGE IN NET POSITION		67,091
NET POSITION, MAY 1		<u>-</u>
NET POSITION, APRIL 30		<u>\$ 67,091</u>

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
 CHANGES IN NET POSITION - BUDGET AND ACTUAL - MODIFIED CASH BASIS
 BUILDING REPLACEMENT FUND

For the Year Ended April 30, 2013

	Original and Final Budget	Actual
OPERATING REVENUES		
Contributions		
General Fund	\$ 47,297	\$ 47,297
Water and Sewer Fund	9,539	9,539
Total operating revenues	<u>56,836</u>	<u>56,836</u>
OPERATING EXPENSES		
None	-	-
Total operating expenses	<u>-</u>	<u>-</u>
OPERATING INCOME	<u>56,836</u>	<u>56,836</u>
NONOPERATING REVENUES (EXPENSES)		
Investment income	71	3
Total nonoperating revenues (expenses)	<u>71</u>	<u>3</u>
CHANGE IN NET POSITION	<u>\$ 56,907</u>	56,839
NET POSITION, MAY 1		<u>-</u>
NET POSITION, APRIL 30		<u>\$ 56,839</u>

(See independent auditor's report.)

FIDUCIARY FUNDS

VILLAGE OF ROUND LAKE, ILLINOIS

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

For the Year Ended April 30, 2013

	Original Budget	Final Budget	Actual
ADDITIONS			
Contributions - employer	\$ 391,094	\$ 391,094	\$ 395,437
Contributions - employee	140,000	140,000	157,634
Contributions - other	1,000	1,000	578
Total contributions	532,094	532,094	553,649
Investment income			
Net appreciation in fair value of investments	66,000	66,000	253,989
Interest earned on investments	75,000	75,000	80,156
Total investment income	141,000	141,000	334,145
Less investment expense	(19,200)	(19,200)	(18,016)
Net investment income	121,800	121,800	316,129
Total additions	653,894	653,894	869,778
DEDUCTIONS			
Benefits and refunds			
Retirement pension	223,500	223,500	223,150
Disability pension	113,000	113,000	112,599
Refund of contribution	5,000	85,632	80,633
Administrative	38,900	38,900	15,653
Total deductions	380,400	461,032	432,035
NET INCREASE	\$ 273,494	\$ 192,862	437,743
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
May 1			<u>4,574,871</u>
April 30			<u>\$ 5,012,614</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, 2013

	Balances May 1	Additions	Deductions	Balances April 30
ALL FUNDS				
ASSETS				
Cash and investments	\$ 1,457,629	\$ 1,742,379	\$ 1,640,127	\$ 1,559,881
TOTAL ASSETS	\$ 1,457,629	\$ 1,742,379	\$ 1,640,127	\$ 1,559,881
LIABILITIES				
Deposits payable	\$ 44,101	\$ 23,445	\$ 9,990	\$ 57,556
Due to other governments	-	163,602	163,602	-
Other payables	1,413,466	1,568,215	1,479,387	1,502,294
Due to other funds	62	31	62	31
TOTAL LIABILITIES	\$ 1,457,629	\$ 1,755,293	\$ 1,653,041	\$ 1,559,881
BUILDERS ESCROW FUND				
ASSETS				
Cash and investments	\$ 44,143	\$ 26,474	\$ 13,032	\$ 57,585
TOTAL ASSETS	\$ 44,143	\$ 26,474	\$ 13,032	\$ 57,585
LIABILITIES				
Deposits payable	\$ 44,101	\$ 23,445	\$ 9,990	\$ 57,556
Due to other funds	42	29	42	29
TOTAL LIABILITIES	\$ 44,143	\$ 23,474	\$ 10,032	\$ 57,585
IMPACT FEE FUND				
ASSETS				
Cash and investments	\$ 20	\$ 147,690	\$ 147,708	\$ 2
TOTAL ASSETS	\$ 20	\$ 147,690	\$ 147,708	\$ 2
LIABILITIES				
Due to other governments	\$ -	\$ 163,602	\$ 163,602	\$ -
Due to other funds	20	2	20	2
TOTAL LIABILITIES	\$ 20	\$ 163,604	\$ 163,622	\$ 2

(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, 2013

	Balances May 1	Additions	Deductions	Balances April 30
LAKEWOOD GROVE SSA #1 FUND				
ASSETS				
Cash and investments	\$ 791,195	\$ 921,139	\$ 905,752	\$ 806,582
TOTAL ASSETS	\$ 791,195	\$ 921,139	\$ 905,752	\$ 806,582
LIABILITIES				
Other payables	\$ 791,195	\$ 921,139	\$ 905,752	\$ 806,582
TOTAL LIABILITIES	\$ 791,195	\$ 921,139	\$ 905,752	\$ 806,582
LAKEWOOD GROVE SSA #3 FUND				
ASSETS				
Cash and investments	\$ 264,151	\$ 274,877	\$ 278,262	\$ 260,766
TOTAL ASSETS	\$ 264,151	\$ 274,877	\$ 278,262	\$ 260,766
LIABILITIES				
Other payables	\$ 264,151	\$ 274,877	\$ 278,262	\$ 260,766
TOTAL LIABILITIES	\$ 264,151	\$ 274,877	\$ 278,262	\$ 260,766
LAKEWOOD GROVE SSA #4 FUND				
ASSETS				
Cash and investments	\$ 358,120	\$ 372,199	\$ 295,373	\$ 434,946
TOTAL ASSETS	\$ 358,120	\$ 372,199	\$ 295,373	\$ 434,946
LIABILITIES				
Other payables	\$ 358,120	\$ 372,199	\$ 295,373	\$ 434,946
TOTAL LIABILITIES	\$ 358,120	\$ 372,199	\$ 295,373	\$ 434,946

(See independent auditor's report.)

SUPPLEMENTARY DATA

VILLAGE OF ROUND LAKE, ILLINOIS
 SUPPLEMENTARY INFORMATION
 ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2012

Schedule of Funding Progress

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial 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)
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%
2011	1,907,753	2,749,088	69.40%	841,335	1,432,499	58.73%
2012	2,298,161	2,813,782	81.68%	515,621	1,293,636	39.86%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
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%
2012	164,417	164,417	100.00%
2013	149,968	149,968	100.00%

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

SUPPLEMENTARY INFORMATION
SHERIFF'S LAW ENFORCEMENT PERSONNEL PLAN

April 30, 2013

Schedule of Funding Progress

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial 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)
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%
2011	51,114	-	0.00%	(51,114)	-	0.00%
2012	55,948	-	0.00%	(55,948)	-	0.00%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
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
2012	NA	NA	NA
2013	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.

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

SUPPLEMENTARY INFORMATION
POLICE PENSION FUND

April 30, 2013

Schedule of Funding Progress

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial 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)
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%
2011	4,481,472	7,840,806	57.16%	3,359,334	1,483,736	226.41%
2012	4,574,871	7,989,295	57.26%	3,414,424	1,378,412	247.71%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
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%
2012	314,268	459,452	68.40%
2013	395,437	428,533	92.28%

Note: The actuarial valuations performed by the State of Illinois Department of Insurance were used for fiscal years 2007 and prior and by an independent actuary for 2008 through 2013.

The Village contributes to the Police Pension Fund based on the State of Illinois Department of Insurance actual valuation. Fiscal years 2010 through 2013 annual required contributions (ARC) are based on an independent actuarial valuation.

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS
 SUPPLEMENTARY INFORMATION
 OTHER POSTEMPLOYMENT BENEFIT PLAN

April 30, 2013

Schedule of Funding Progress

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial 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%
2011	N/A	N/A	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A	N/A	N/A
2013	-	285,903	0.00%	285,903	2,707,531	10.56%

Schedule of Employer Contributions

Fiscal Year April 30,	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2010	\$ 16,333	\$ 25,348	64.44%
2011	17,845	25,241	70.70%
2012	9,088	25,241	36.00%
2013	3,061	25,091	12.20%

Note: The Village implemented GASB Statement No. 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 TAX DATA

For the Last Nine Levy Years

	Levy Year		
	2012	2011	2010
ASSESSED VALUATION	\$ 275,111,595	\$ 321,967,538	\$ 363,428,091
TAX RATES BY FUND			
Corporate	0.433	0.396	0.399
Municipal audit	0.008	0.007	0.006
Road and bridge	0.019	0.034	0.030
Garbage	0.126	0.078	0.069
Retirement	0.122	0.098	0.084
Bond and interest	-	-	-
Working cash	0.003	0.002	0.001
Liability insurance	0.037	0.043	0.046
Civil defense/ES&DA	0.002	0.002	0.001
Police protection	0.338	0.288	0.274
Police pension	0.156	0.123	0.087
TOTAL TAX RATES BY FUND	1.244	1.071	0.997
TAX EXTENSIONS BY FUND			
Corporate	\$ 1,191,233	\$ 1,274,991	\$ 1,450,078
Municipal audit	22,009	22,538	21,806
Road and bridge	52,271	109,469	109,028
Garbage	346,641	251,135	250,766
Retirement	335,636	315,528	305,280
Bond and interest	-	-	-
Working cash	8,253	6,439	3,634
Liability insurance	101,791	138,446	167,177
Civil defense/ES&DA	5,502	6,439	3,634
Police protection	929,877	927,267	995,793
Police pension	429,174	396,020	316,182
TOTAL TAX EXTENSIONS BY FUND	\$ 3,422,387	\$ 3,448,272	\$ 3,623,378
TAX COLLECTIONS - ALL FUNDS			
Levy Collections Through Year End	\$ -	\$ 3,443,199	\$ 3,600,578
PERCENT COLLECTED	N/A	99.85%	99.37%

Levy Year						
2009	2008	2007	2006	2005	2004	
\$ 404,464,351	\$ 421,556,835	\$ 407,703,238	\$ 377,475,750	\$ 319,702,385	\$ 243,920,458	
0.433	0.416	0.386	0.359	0.246	0.234	
0.006	0.006	0.008	0.012	0.014	0.016	
0.022	0.021	0.029	0.031	0.048	0.057	
0.049	0.076	0.078	0.103	0.168	0.155	
0.098	0.091	0.118	0.125	0.136	0.164	
-	-	-	-	-	0.037	
0.001	0.002	0.003	0.007	0.035	0.050	
0.039	0.041	0.050	0.056	0.064	0.077	
0.001	0.001	0.001	0.001	-	-	
0.147	0.116	0.083	0.076	0.074	0.070	
0.073	0.057	0.068	0.065	0.070	0.068	
0.869	0.827	0.824	0.835	0.855	0.928	
\$ 1,751,331	\$ 1,753,676	\$ 1,573,735	\$ 1,355,138	\$ 786,468	\$ 570,774	
24,268	25,293	32,616	45,297	44,758	39,027	
88,982	88,527	80,992	76,099	117,115	105,084	
198,188	320,383	318,009	388,800	537,100	378,077	
396,375	383,617	481,090	471,845	434,795	400,030	
-	-	-	-	-	90,251	
4,044	8,431	12,231	26,423	111,896	121,960	
157,741	172,838	203,852	211,386	204,610	187,819	
4,044	4,216	4,077	3,775	-	-	
594,563	489,006	338,394	286,882	236,580	170,744	
295,259	240,287	277,238	245,359	223,792	165,866	
\$ 3,514,795	\$ 3,486,274	\$ 3,322,234	\$ 3,111,004	\$ 2,697,114	\$ 2,229,632	
\$ 3,503,869	\$ 3,481,655	\$ 3,319,067	\$ 3,106,020	\$ 2,684,166	\$ 2,204,463	
99.69%	99.87%	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
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
2011	321,967,538	-	321,967,538
2012	275,111,595	-	275,111,595

(See independent auditor's report.)