

VILLAGE OF ROUND LAKE PARK, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED APRIL 30, 2013

**Village of Round Lake Park, Illinois
Annual Financial Report
For the Year Ended April 30, 2013**

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INDEPENDENT AUDITOR'S REPORT



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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Board of Trustees
Village of Round Lake Park, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Round Lake Park, Illinois, as of and for the year ended April 30, 2013, and the related notes to the 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 accounting principles generally accepted in the United States of America; this includes 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 fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these basic and individual fund 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 of 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 and each major fund, and each individual fund, of Village of Round Lake Park, as of April 30, 2013, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information on pages 3 through 13, and 71 through 82 and the Schedule of Funding Progress relative to the Illinois Municipal Retirement Fund and the Police Pension Fund on pages 63 through 66 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Round Lake Park, Illinois' financial statements as a whole. The accompanying financial information listed as other supplementary information in the Table of Contents is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying financial information listed as other supplementary information in the Table of Contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.


EVOY, KAMSCHULTE, JACOBS & CO. LLP

December 4, 2013
Waukegan, Illinois

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF ROUND LAKE PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED APRIL 30, 2013

Our discussion and analysis of the Village of Round Lake Park, Illinois' (the Village's) financial performance provides an overview of the Village's financial activities for the fiscal year ended April 30, 2013. Please read it in conjunction with the Village's financial statements, which begin on page 14.

FINANCIAL HIGHLIGHTS

- The Village's net position increased by \$614,550 during the fiscal year ended April 30, 2013. Governmental activity net position increased by \$733,292 while business-type activity net assets decreased by \$118,742.
- During the year, the Village had revenues that were \$733,292 greater than expenses for governmental programs. This compares to last year when governmental program expenses exceeded revenues by \$261,280.
- The Village's business-type activity revenues decreased by \$38,252 while business-type activity expenses increased by \$33,333.
- The total cost of all of the Village's programs increased by \$47,295; that is, by approximately 1.1%.
- The Village had a net decrease in total long-term debt of \$60,675 during the current fiscal year. Additionally, the Village issued \$99,429 of new debt and repaid \$62,301 of governmental activity debt and \$97,803 of business-type activity debt during the current fiscal year.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 14 and 15) provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. Fund financial statements start on page 16. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds. The remaining statements provide financial information about activities for which the Village acts solely as a trustee or agent for the benefit of those outside of the government.

VILLAGE OF ROUND LAKE PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED APRIL 30, 2013

Reporting the Village as a Whole

Our analysis of the Village as a whole begins on page 6. One of the most important questions asked about the Village's finances is, "Is the Village as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Village as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Village's *net position* and changes in them. You can think of the Village's net position—the difference between assets and liabilities—as one way to measure the Village's financial health, or *financial position*. Over time, *increases* or *decreases* in the Village's net position are one indicator of whether its *financial health* is *improving* or *deteriorating*. You will need to consider other nonfinancial factors, however, such as changes in the Village's property tax base and the condition of the Village's roads, to assess the *overall health* of the Village.

In the Statement of Net Position and the Statement of Activities, we divide the Village into two kinds of activities:

- **Governmental activities**—Most of the Village's basic services are reported here, including police, public works, and general administration. Property taxes, franchise fees, other taxes, and state and federal grants finance most of these activities.
- **Business-type activities**—The Village charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Village's water and sewer system is reported here.

Reporting the Village's Most Significant Funds

Our analysis of the Village's major funds appears on page 10. The fund financial statements also begin on page 16 and provide detailed information about the most significant funds—not the Village as a whole. Some funds are required to be established by State law, bond covenants, or other similar reasons. However, the Village Board establishes many other funds to help it control and manage money for particular purposes (like the Downtown Redevelopment Project) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like Motor Fuel Tax monies received through the State). The Village's two kinds of funds—*governmental* and *proprietary*—use different accounting approaches.

VILLAGE OF ROUND LAKE PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED APRIL 30, 2013

- *Governmental funds*—Most of the Village's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are nonspendable, restricted, committed, assigned, or unassigned. These classifications of fund balance show the nature and extent of constraints placed on the Village's fund balances by law, creditors, the Village Board, and the Village's annual appropriation ordinance. Unassigned fund balance is available for spending for any purpose. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Village's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs. We describe the relationship (or differences) between *governmental activities* (reported in the Statement of Net Position and the Statement of Activities) and *governmental funds* in reconciliation after the fund financial statements.
- *Proprietary funds*—When the Village charges customers for the services it provides—whether to outside customers or to other units of the Village—these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Village's enterprise fund statements show the same information as the business-type activities we report in the government-wide statements but provide more detail and additional information, including information on proprietary fund cash flows.

The Village as Trustee

The Village was the fiscal agent, or *fiduciary*, for an auto theft task force during part of the current fiscal year. The fiduciary duties related to that task force were transferred to another municipality during the year. It is also responsible for other assets—that because of a pension trust arrangement—can be used only for the pension trust beneficiaries. All of the Village's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on pages 23-24. We exclude these activities from the Village's other financial statements because the Village cannot use these assets to finance its operations. The Village is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

VILLAGE OF ROUND LAKE PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED APRIL 30, 2013

THE VILLAGE AS A WHOLE

The Village's *combined* net position *increased* by \$614,550 during the current fiscal year. In contrast, last year's net position *increased* by \$214,123. Looking at the net position and net expenses of governmental and business-type activities separately, however, two different stories emerge. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Village's governmental and business-type activities.

Condensed Statement of Net Position
(In Millions)

	Governmental		Business-Type		Totals	
	Activities		Activities			
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 3.2	3.2	\$ 0.2	0.2	\$ 3.4	3.4
Capital assets	3.0	2.5	3.0	3.0	6.0	5.5
Total assets	6.2	5.7	3.2	3.2	9.4	8.9
Long-term debt	1.5	1.4	0.2	0.3	1.7	1.7
Other liabilities	0.8	1.0	0.4	0.2	1.2	1.2
Total liabilities	2.3	2.4	0.6	0.5	2.9	2.9
Net assets:						
Invested in capital assets, net of related debt	2.9	2.5	2.8	2.8	5.7	5.3
Restricted	1.5	2.1	0.0	0.0	1.5	2.1
Unrestricted	(0.5)	(1.3)	(0.2)	(0.1)	(0.7)	(1.4)
Total net assets	\$ 3.9	3.3	\$ 2.6	2.7	\$ 6.5	6.0

VILLAGE OF ROUND LAKE PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED APRIL 30, 2013

Net position of the Village's governmental activities increased by 22.6% (\$3.9 million compared to \$3.3 million) during the current fiscal year. *Unrestricted net* position—the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—changed from a \$1.3 million deficit at April 30, 2012, to a \$.5 million deficit at the end of this year.

The deficit in unrestricted governmental net position resulted primarily from the inclusion of long-term debt on the Government-Wide Statement of Net Position. This debt will be funded with future financial resources rather than current financial resources held by the Village.

The net position of our business-type activities decreased by 4.5% (\$2.6 million compared to \$2.7 million) during the current fiscal year. The increase in the governmental activities net position, however, cannot be used to offset this decrease.

VILLAGE OF ROUND LAKE PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED APRIL 30, 2013

Table 2
Changes in Net Assets
(in Millions)

	Governmental		Business-Type		Totals	
	Activities		Activities			
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues:						
Program revenues:						
Charges for services, fees, fines and forfeitures	\$ 0.6	0.6	\$ 1.2	1.2	\$ 1.8	1.8
Grants and contributions	-	0.1	0.1	0.1	0.1	0.2
General revenues:						
Property taxes	0.8	0.8	-	-	0.8	0.8
Other taxes and intergovernmental revenues	2.1	1.5	-	-	2.1	1.5
Other general revenues	-	-	-	-	-	-
Total revenues	<u>\$ 3.5</u>	<u>3.0</u>	<u>\$ 1.3</u>	<u>1.3</u>	<u>\$ 4.8</u>	<u>4.3</u>
Program Expenses:						
General government	\$ 0.5	0.6	\$ -	-	\$ 0.5	0.6
Public safety	1.9	1.8	-	-	1.9	1.8
Public works	0.3	0.3	-	-	0.3	0.3
Water and Sewer	-	-	1.4	1.3	1.4	1.3
Interest and fees	0.1	0.1	-	-	0.1	0.1
Total expenses	<u>\$ 2.8</u>	<u>2.8</u>	<u>\$ 1.4</u>	<u>1.3</u>	<u>\$ 4.2</u>	<u>4.1</u>
Changes in net assets	<u>\$ 0.7</u>	<u>0.2</u>	<u>\$ (0.1)</u>	<u>-</u>	<u>\$ 0.6</u>	<u>0.2</u>

VILLAGE OF ROUND LAKE PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED APRIL 30, 2013

The Village's total revenues increased by 10.0% (approximately \$447,000). The total cost of all programs and services increased by .1% (approximately \$50,000). The increase in revenues was offset by the much larger decrease in total expenses during the current fiscal year. Our analysis below separately considers the operations of governmental and business-type activities.

Governmental Activities

Revenues for the Village's governmental activities increased by 16.1% (approximately \$500,000) while total expenses increased by .1% (approximately \$14,000). This compares to a \$261,000 increase in net position during the fiscal year ended April 30, 2012.

Table 3 presents the cost of each of the Village's three largest programs—general government, public safety, and public works—as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Village's taxpayers by each of these functions.

Table 3
Governmental Activities
(In Millions)

	Total Cost of Services		Net Cost of Services	
	2013	2012	2013	2012
General government	\$ 0.5	0.5	\$ 0.3	0.3
Public safety	1.9	1.8	1.5	1.4
Public works	0.3	0.4	0.3	0.3
Totals	<u>\$ 2.7</u>	<u>2.7</u>	<u>\$ 2.1</u>	<u>2.0</u>

Business-Type Activities

Revenues of the Village's business-type activities (see Table 2) decrease during the current fiscal year by less than a half percent while expenses increased slightly (\$1.4 million in 2013 compared to \$1.3 million for 2012).

VILLAGE OF ROUND LAKE PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED APRIL 30, 2013

THE VILLAGE'S FUNDS

As the Village completed the year, its governmental funds (as presented in the balance sheet on page 16) reported a *combined* fund balance of \$2.4 million which is slightly higher than last year's total of \$2.2 million. In addition, changes in the following fund balances should be noted:

- The Village spent \$527,784 on the Downtown Redevelopment Project, reducing the beginning restricted fund balance in that capital projects fund by \$368,695. This reduction was expected because capital fund balances at the beginning of the year included the proceeds of general obligation bonds issued two years ago to finance the Downtown Redevelopment Project. Although these and other capital expenditures reduce available fund balances, they create new assets for the Village as reported in the Statement of Net Position and as discussed in Note 1 to the financial statements.
- Each year the State provides the Village with a portion of the gasoline tax revenues it collects. This money can only be used to replace, maintain, or improve Village roads. The Village used \$240,011 for road maintenance projects during the current fiscal year. As a result, the fund balance restricted for such purposes decreased by \$27,684.
- The Retirements, Liability Insurance, and Audit Funds, were budgeted for in such a way as to reduce beginning fund balances. The decreases in these funds amounted to \$50,893, \$11,890, and \$1,095, respectively. Such budgeting resulted in a deficit fund balance of \$2,167 in the Audit Fund as of April 30, 2013.

General Fund Budgetary Highlights

The Village Board did not revise or amend the budget issued for the current fiscal year. The actual charges to appropriations (expenditures) were \$2.5 million below the final budget amounts.

VILLAGE OF ROUND LAKE PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED APRIL 30, 2013

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of 2013, the Village had \$6.0 million invested in a broad range of capital assets, including police equipment, buildings, roads, bridges, and water and sewer lines (see Table 4 below). This amount represents a net increase (including additions and deductions) of \$488,245 or 8.7% more than last year.

Table 4
Capital Assets at Year-End
(Net of Depreciation, in Millions)

Type of Asset	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Land	\$ 1.0	1.0	\$ -	-	\$ 1.0	1.0
Infrastructure	-	-	2.3	2.2	2.3	2.2
Buildings	1.0	1.1	0.5	0.6	1.5	1.7
Machinery and Equipment	0.2	0.1	0.1	0.1	0.3	0.2
Land Improvements	0.8	0.3	0.1	0.1	0.9	0.4
Totals	\$ 3.0	2.5	\$ 3.0	3.0	\$ 6.0	5.5

This year's major additions included (in millions):

Downtown Redevelopment Project, paid for with the proceeds of general obligation bonds issued two years ago	\$ 0.4
Sewer relining, paid for with Community Development Block Grant (CDBG) monies received from the County of Lake	<u>0.1</u>
Total	\$ <u>0.5</u>

VILLAGE OF ROUND LAKE PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED APRIL 30, 2013

The Village's fiscal year 2014 budget calls for it to spend another \$1,090,800 on capital projects. More detailed information about the Village's capital assets is presented in Notes 1 and 7 to the financial statements.

Debt

At year-end the Village had \$1.7 million in bonds, notes, and loans outstanding versus \$1.7 million last year—a change of 0.0%—as shown in Table 5.

Table 5
Outstanding Debt at Year-End
(in Millions)

Type of Debt	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
General Obligation Bonds (backed by the Village)	\$ 1.4	1.4	\$ -	-	\$ 1.4	1.4
Leases and loans (backed by certain Village assets)	0.1	-	0.2	0.3	0.3	0.3
Totals	<u>\$ 1.5</u>	<u>1.4</u>	<u>\$ 0.2</u>	<u>0.3</u>	<u>\$ 1.7</u>	<u>1.7</u>

The Village issued no new debt during the current fiscal year. More detailed information about the Village's debt is presented in Notes 1 and 10 to the financial statements.

VILLAGE OF ROUND LAKE PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED APRIL 30, 2013

CONTACTING THE VILLAGE'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional information, contact the Village Treasurer at the Village of Round Lake Park, 203 East Lake Shore Drive, Round Lake Park, Illinois 60073.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Village of Round Lake Park, Illinois
Statement of Net Position
April 30, 2013

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Current assets:			
Cash	\$ 1,554,134	\$ -	\$ 1,554,134
Receivables:			
Property taxes	756,398	-	756,398
Other taxes	574,637	-	574,637
Accounts	-	276,971	276,971
Other	1,963	-	1,963
Restricted cash	15,884	-	15,884
Prepaid Expenses	6,253	-	6,253
Internal balances	248,887	(248,887)	-
Deferred debt issuance costs, net of accumulated amortization	29,623	-	29,623
Capital assets not being depreciated	1,017,819	-	1,017,819
Capital assets being depreciated, net of accumulated depreciation	2,032,323	3,011,310	5,043,633
Total assets	\$ 6,237,921	\$ 3,039,394	\$ 9,277,315
<u>LIABILITIES</u>			
Accounts payable	\$ 85,799	\$ 168,738	\$ 254,537
Accrued payroll	34,350	5,702	40,052
Accrued interest payable	20,368	1,971	22,339
Deferred revenue	612,516	-	612,516
Water deposits	-	73,973	73,973
Other	48,098	-	48,098
Long-term debt:			
Portion due or payable within one year	78,397	98,365	176,762
Portion due or payable after one year	1,388,731	94,952	1,483,683
Total liabilities	2,268,259	443,701	2,711,960
<u>NET POSITION</u>			
Net Investment in capital assets	2,941,056	2,817,993	5,759,049
Restricted:			
Bond purposes (capital projects)	1,104,636	-	1,104,636
Retirement	177,598	-	177,598
Highways and streets	210,427	-	210,427
Public Safety	15,884	-	15,884
Debt Service	33,476	-	33,476
Insurance	16,534	-	16,534
Unrestricted (deficit)	(529,949)	(222,300)	(752,249)
Total net position	\$ 3,969,662	\$ 2,595,693	\$ 6,565,355

The accompanying Notes are an integral part of these Financial Statements.

Village of Round Lake Park, Illinois
Statement of Activities
For the Year Ended April 30, 2013

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:						
General government	\$ 522,407	\$ 10,000	\$ -	\$ (282,976)	\$ -	\$ (282,976)
Public safety	1,864,534	-	-	(1,494,880)	-	(1,494,880)
Public works	313,309	-	16,742	(296,567)	-	(296,567)
Interest on long-term debt	65,269	-	-	(65,269)	-	(65,269)
Total governmental activities	2,765,519	10,000	16,742	(2,139,692)	-	(2,139,692)
Business-Type activities:						
Water / Sewer	1,371,688	-	92,111	-	(118,742)	(118,742)
Total - all activities	\$ 4,137,207	\$ 10,000	\$ 108,853	(2,139,692)	(118,742)	(2,258,434)
General revenues:						
Taxes:						
Property				761,694	-	761,694
Sales				328,418	-	328,418
Utility				419,437	-	419,437
Income				974,126	-	974,126
Use				147,312	-	147,312
Replacement				4,226	-	4,226
Motor Fuel				212,207	-	212,207
Interest				225	-	225
Miscellaneous				25,339	-	25,339
Total general revenues				2,872,984	-	2,872,984
Change in net position				733,292	(118,742)	614,550
Net position, beginning of year				3,236,370	2,714,435	5,950,805
Net position, end of the year				\$ 3,969,662	\$ 2,595,693	\$ 6,565,355

The accompanying Notes are an integral part of these Financial Statements.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Village of Round Lake Park, Illinois
Balance Sheet - Governmental Funds
April 30, 2013

ASSETS	General Fund	Capital Projects	Nonmajor Funds	Total Governmental Funds
Cash	\$ 427,155	\$ 926,901	\$ 200,078	\$ 1,554,134
Receivables:				
Property taxes, net	470,473	155,747	130,178	756,398
Other taxes	561,730	-	12,907	574,637
Other	1,963	-	-	1,963
Restricted cash	15,884	-	-	15,884
Prepaid Expense	6,253	-	-	6,253
Due from other funds	56,332	177,735	227,608	461,675
TOTAL ASSETS	\$ 1,539,790	\$ 1,260,383	\$ 570,771	\$ 3,370,944
LIABILITIES & FUND BALANCES				
Liabilities:				
Accounts payable	85,799	-	-	85,799
Accrued payroll	34,350	-	-	34,350
Due to other funds	-	-	212,788	212,788
Deferred revenues	326,591	155,747	130,178	612,516
Other current liabilities	48,098	-	-	48,098
TOTAL LIABILITIES	494,838	155,747	342,966	993,551
Fund balances:				
Prepaid Expense	6,253	-	-	6,253
Restricted for police activities	15,884	-	-	15,884
Restricted for capital projects	-	1,104,636	-	1,104,636
Unassigned, reported in:				
General Fund	1,022,815	-	-	1,022,815
Debt Service Fund	-	-	33,476	33,476
Special Revenue Funds	-	-	194,329	194,329
TOTAL FUND BALANCES (DEFICIT)	1,044,952	1,104,636	227,805	2,377,393
TOTAL LIABILITIES & FUND BALANCES	\$ 1,539,790	\$ 1,260,383	\$ 570,771	\$ 3,370,944

The accompanying Notes are an integral part of these Financial Statements.

Village of Round Lake Park, Illinois
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
April 30, 2013

Total fund balances - governmental funds **\$ 2,377,393**

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.

Cost of the assets	\$ 4,616,292	
Accumulated depreciation	(1,566,150)	3,050,142
Total capital assets, net of depreciation		

Debt issuance charges are reported as expenditures in the governmental funds when first incurred, however, they are included as deferred charges in the governmental activities column of the statement of net position.

29,623

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds. At April 30, 2013, these liabilities consisted of the following:

Bonds payable	(1,375,000)	
Capital Leases payable	(92,128)	
Accrued interest on long-term debt	(20,368)	(1,487,496)

Total net position - governmental activities

\$ 3,969,662

The accompanying Notes are an integral part of these Financial Statements.

Village of Round Lake Park, Illinois
Statement of Revenues, Expenditures and Changes
in Fund Balances (Deficits) - Governmental Funds
For the Year Ended April 30, 2013

	General Fund	Capital Projects	Nonmajor Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 467,707	\$ 159,089	\$ 134,898	\$ 761,694
Other taxes	747,855	-	212,207	960,062
Intergovernmental	1,185,664	-	-	1,185,664
Licenses, permits, and fees	159,480	-	-	159,480
Charges for services	9,951	-	-	9,951
Fines and forfeitures	369,654	-	-	369,654
Grants and donations	26,742	-	-	26,742
Interest	105	-	120	225
Miscellaneous	25,339	-	-	25,339
Total Revenues	\$ 2,992,497	\$ 159,089	\$ 347,225	\$ 3,498,811
Expenditures:				
Current				
General government	285,120	240	192,847	478,207
Public safety	1,811,957	-	-	1,811,957
Public works	217,931	-	73,869	291,800
Capital outlay	18,089	409,654	166,142	593,885
Debt service:				
Principal retirement	7,301	55,000	-	62,301
Interest and fiscal charges	2,378	62,891	-	65,269
Total Expenditures	\$ 2,342,776	\$ 527,785	\$ 432,658	\$ 3,303,419
Net changes in fund balances (deficit)	\$ 649,721	\$ (368,696)	\$ (85,633)	\$ 195,392
Fund balances (deficits), beginning of the year	395,231	1,473,332	313,438	2,182,001
Fund balances (deficits), end of the year	\$ 1,044,952	\$ 1,104,636	\$ 227,805	\$ 2,377,393

The accompanying Notes are an integral part of these Financial Statements.

**Village of Round Lake Park, Illinois
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances (Deficits)
of Governmental Funds to the Statement of Activities
For the Year Ended April 30, 2013**

Total net change in fund balances - governmental funds	\$ 195,392
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Amounts reported for governmental activities in the statement of activities are different because:

The depreciation of capital assets is reported as an expense in the statement of activities.	(117,697)
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Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	7,301
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Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Issuance cost amortization	(1,185)

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful life as depreciation expense.	593,885
--	---------

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	55,000
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Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Accrued interest on debt	<u>596</u>
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Change in net position of governmental activities	<u><u>\$ 733,292</u></u>
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The accompanying Notes are an integral part of these Financial Statements.

PROPRIETARY FUND FINANCIAL STATEMENTS

Village of Round Lake Park, Illinois
Statement of Net Position - Proprietary Fund
April 30, 2013

	Water / Sewer
<u>ASSETS</u>	
Current assets:	
Cash	\$ -
Receivables	276,971
Total current assets	276,971
Noncurrent assets - capital assets being depreciated, net	3,011,310
Total assets	\$ 3,288,281
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	\$ 168,738
Accrued interest payable	1,971
Accrued salaries	5,702
Water deposits	73,973
Due to other funds	248,887
Total current liabilities	499,271
Long-term debt:	
Portion due or payable within one year	98,365
Portion due or payable after one year	94,952
Total noncurrent liabilities	193,317
Total liabilities	692,588
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	2,817,993
Unrestricted	(222,300)
Total net position	\$ 2,595,693

The accompanying Notes are an integral part of these Financial Statements.

**Village of Round Lake Park, Illinois
Statement of Revenues, Expenses, and
Changes in Net Position - Proprietary Fund
For the Year Ended April 30, 2013**

	Total
Operating Revenues:	
Charges for services	\$ 1,128,442
Fines and forfeitures	32,393
	1,160,835
Total operating revenues	1,160,835
Operating Expenses:	
Salaries	215,942
Fringe benefits	66,920
Contractual services	348,134
Commodities	399,273
Utilities	62,091
Insurance	42,466
Depreciation	227,358
	1,362,184
Total operating expenses	1,362,184
Net operating loss	(201,349)
Nonoperating revenue (expenses)	
Grant revenue	92,111
Interest expense	(9,504)
	82,607
Total nonoperating revenue (expenses)	82,607
Changes in net position	(118,742)
Net position, beginning of the year	2,714,435
Net position, end of the year	\$ 2,595,693

The accompanying Notes are an integral part of these Financial Statements.

Village of Round Lake Park, Illinois
Statement of Cash Flows - Proprietary Funds
For the Year Ended April 30, 2013

	Water / Sewer
Cash flows from operating activities:	
Receipts from customers	\$ 1,103,356
Payments to suppliers	(772,726)
Payments to employees	(278,167)
Net cash from operating activities	52,463
Cash flows from capital and related financing activities:	
Purchase of capital assets	(47,875)
Principal paid on capital lease	(13,803)
Principal paid on water meter loan	(84,000)
Interest paid on capital lease and water meter loan	(10,506)
Net cash from capital and related financing activities	(156,184)
Cash flows from noncapital financing activities:	
Increases in due to other funds	103,721
Proceeds from sewer grant	-
Net cash from noncapital and related financing activities	103,721
Net increase in cash	-
Cash, beginning of the year	-
Cash, end of the year	\$ -
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (201,349)
Adjustment to reconcile operating loss to net cash provided by operating activities:	
Depreciation	227,358
Net changes in:	
Receivables	(74,697)
Accounts payable	79,238
Accrued salaries	4,695
Deposits payable	17,218
Net cash from operating activities	\$ 52,463

The accompanying Notes are an integral part of these Financial Statements.

FIDUCIARY FUND FINANCIAL STATEMENTS

Village of Round Lake Park, Illinois
Statement of Net Position - Fiduciary Funds
Police Pension Fund
April 30, 2013

<u>ASSETS</u>	Pension Trust Fund
Cash and Cash Equivalents:	\$ 4,715
Investments, at Fair Value	
State and Local Obligations	151,753
U.S. Government and Agency Obligations	1,107,223
Equity Mutual Funds	148,792
Money Market Mutual Funds	57,741
Accrued Interest Receivable	<u>8,767</u>
Total Assets	\$ 1,478,991
<u>LIABILITIES</u>	
Accounts Payable	<u>1,783</u>
<u>NET POSITION</u>	
Net Position Held in Trust for Pension Benefits (A schedule of funding progress is presented in the required supplementary information.)	<u><u>\$ 1,477,208</u></u>

The accompanying Notes are an integral part of these Financial Statements.

Village of Round Lake Park, Illinois
Statement of Changes in Net Position - Fiduciary Funds
Police Pension Fund
For the Year Ended April 30, 2013

<u>ADDITIONS</u>	Pension Trust Fund
Contributions - Employer	\$ 197,364
Contributions - Plan Members	305,669
Total Contributions	503,033
Investment Income:	
Interest and Dividends Earned	40,183
Net Change in Fair Value	12,079
Total Investment Income	52,262
Less Investment Expenses	(5,019)
Net Investment Income	47,243
Total Additions	550,276
 <u>DEDUCTIONS</u> 	
Administration	14,658
Benefits and Refunds:	
Benefits	163,406
Total Deductions	178,064
Change in Net Position	372,212
Net Position, Beginning of the Year	1,104,996
Net Position, End of the Year	\$ 1,477,208

The accompanying Notes are an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

VILLAGE OF ROUND LAKE PARK, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Round Lake Park, Illinois (the "Village") was incorporated in 1947. The Village is a municipal non-home rule corporation governed by an elected president and six-member Board of Trustees. The Village's major operations include public safety, highway and street maintenance and reconstruction, building code enforcement, public improvements, economic development, planning and zoning, water and sewer services, and general administrative services.

The Village's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The most significant accounting policies established by GAAP and used by the Village are discussed below.

A. Reporting Entity

These financial statements present the Village (the primary government) and its component unit, the Round Lake Park Police Pension Fund. As defined by GASBS 61, component units are legally separate entities that are included in the Village's reporting entity because of the significance of their operating or financial relationships with the Village.

The Round Lake Park Police Pension Fund, a Police Pension Employees Retirement System (PPERS), has been established for the Village's police employees. The PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's Mayor, one pension beneficiary, and two police employees, each elected by the membership, constitute the Pension Board. The Village and the 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 characteristics of a legally separate government, the 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. The PPERS is reported as a pension trust fund in the primary government's annual financial report. No separate annual financial report is issued for the PPERS.

VILLAGE OF ROUND LAKE PARK, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village's public safety, highway and street maintenance and reconstruction, building code enforcement, public improvements, economic development, planning and zoning, and general administrative services are classified as governmental activities. The Village's water and sewer services are classified as business-type activities. Neither fiduciary funds nor component units that are fiduciary in nature are included in the government-wide financial statements.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions (police, public works, general administration, etc.) and business-type activities (water and sewer services). The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and operating and capital grants. Program revenues must be directly associated with the function (police, public works, general administration, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reports capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property, sales and use taxes, certain intergovernmental revenues, interest income, etc.).

The Village does not allocate indirect costs. Except for transfers, if any, between the Village's enterprise funds and its governmental funds, all interfund activity has been eliminated.

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

VILLAGE OF ROUND LAKE PARK, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures / expenses.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASBS 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures / expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Village electively added funds, as major funds, which either had debt outstanding or specific community focus. The nonmajor funds are combined in a column in the fund financial statements.

1. Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The Village reports these major governmental funds and fund types:

- a. The General Fund is the Village's primary operating fund. It is used to account for and report all financial resources except those required to be accounted for in another fund.
- b. The Downtown Redevelopment Capital Projects Fund accounts for grants and bond proceeds restricted to the redevelopment of the Village's downtown area.

The activities reported in these funds are reported as governmental activities in the government-wide financial statements.

VILLAGE OF ROUND LAKE PARK, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS (continued)

2. Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The Village reports the following proprietary fund type:

- a. Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services. The activities reported in these funds are reported as business-type activities in the government-wide financial statements. The Water and Sewer Enterprise Fund operates the Village's water distribution and sewer systems, which primarily serve the Village's residents.

3. Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Village programs. The reporting focus is on net assets and changes in net assets and is reported using accounting principles similar to proprietary funds.

The Village's fiduciary funds are presented in the fiduciary fund financial statements by type (pension and agency). Because by definition these assets are being held for the benefit of a third party (pension participants, other local governments) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

VILLAGE OF ROUND LAKE PARK, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures / expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Property taxes are reported in the period for which levied. Other nonexchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Property tax revenues are recognized in the period for which levied provided they are also available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

E. FINANCIAL STATEMENT AMOUNTS

1. Cash and Investments

Aside from those monies held in designated accounts for the Motor Fuel Tax Fund, the Downtown Redevelopment Capital Projects Fund, and the Police Pension Trust Fund, all of the Village's cash balances are combined in one commingled account. The individual funds' portions of that account are reported as cash in the individual fund financial statements. Investments, including those reported in pension trust funds, are stated at fair value (quoted market price or the best available estimate).

VILLAGE OF ROUND LAKE PARK, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. FINANCIAL STATEMENT AMOUNTS (continued)

2. Cash and Cash Equivalents

For purposes of the Proprietary Fund Statement of Cash Flows, the Village considers all investments with a maturity of three months or less when purchased to be cash equivalents.

3. Receivables

All receivables are reported net of estimated uncollectible amounts.

4. Prepaid Items

Expenditures for insurance and similar services extending over more than one accounting period are not allocated between or among accounting periods in the governmental funds and are instead accounted for as expenditures in the period of acquisition (purchase method).

5. Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The Village reports all major general infrastructure assets constructed or acquired in fiscal years ending after April 30, 1980, or that received major renovations, restorations, or improvements during that period. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	50 years
Improvements	20 years
Equipment	5-15 years
Infrastructure	30 years

6. Compensated Absences

The amount of compensated absences is limited by ordinance to 80 hours per employee. The amount of pay related to compensated absences is immaterial and therefore has not been accrued in the financial statements.

VILLAGE OF ROUND LAKE PARK, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. FINANCIAL STATEMENT AMOUNTS (continued)

7. Long-Term Debt

In the fund-level financial statements, governmental funds report the face amount of debt issued, as well as any premiums (discounts) as other financing sources (uses). The Village issued no new long-term debt during the current fiscal year. Debt issuance costs are reported as debt service expenditures. In the government-wide financial statements, long-term debt is reported in the form of liabilities in the statement of net assets. Bond premiums / discounts and issuance costs are amortized over the life of the bonds.

8. Property Tax Calendar and Revenues

The Village is responsible for levying property taxes, but the taxes are collected by the County of Lake. The Village's property tax is levied each year on all taxable real property located within the Village's boundaries and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 in any year is liable for the taxes of that year. Property taxes are due in two installments, one on or around June 1 and one on or around September 1. Taxes are considered delinquent if not received by the second installment due date.

The 2012 property tax levy is recognized as both a receivable and deferral in these financial statements. As the taxes become available to finance current expenditures, they will be recognized as revenue. At April 30, 2013, the property taxes receivable and deferred property tax revenue accounts presented in these financial statements consist entirely of the individual amounts comprising the Village's 2012 tax levy.

9. Defining Operating Revenues and Expenses

The Village's proprietary fund distinguishes between operating and nonoperating revenues and expenses. Operating revenues and expenses of the Village's Water and Sewer Fund consist of charges for services and the costs of providing those services, including depreciation and excluding interest cost. All other revenues and expenses are reported as nonoperating.

VILLAGE OF ROUND LAKE PARK, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. FINANCIAL STATEMENT AMOUNTS (continued)

10. Government-Wide and Proprietary Fund Net Position

Government-wide and proprietary fund net position are divided into three categories:

- a. Invested in capital assets, net of related debt – This category consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- b. Restricted net position – This category consists of net position that are restricted by the Village's creditors (for example, through debt covenants), by State enabling legislation (through restrictions on shared revenues), by grantors (both Federal and State), and by any other contributors.
- c. Unrestricted net position – This category consists of all other net position.

11. Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

- a. Nonspendable – This category consists of amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – This category consists of amounts that can be spent only for specific purposes because of the Village Incorporation Documents, the Village Code, State or Federal laws, or the externally imposed conditions of grantors and creditors.
- c. Committed – This category consists of amounts that can be used only for specific purposes as determined by formal Village Board action.
- d. Assigned – This category consists of amounts that are designated by the Mayor for a particular purpose but that are not spendable until an appropriations ordinance is passed or there is a majority vote approval (for capital projects or debt service) by the Village Board.
- e. Unassigned – This category consists of amounts that are not included under any other category.

VILLAGE OF ROUND LAKE PARK, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. FINANCIAL STATEMENT AMOUNTS (continued)

12. Use of Restricted Resources

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Village's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the Village's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications—committed and then assigned fund balances before using unassigned fund balances.

13. Interfund Activity

Interfund activity is reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures / expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefitting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

F. APPROPRIATIONS POLICIES

The Village does not have a formal budget. It controls its revenues and expenditures through the use of an appropriations ordinance which is prepared and passed each fiscal year in accordance with the various legal and administrative requirements that govern the Village's operations.

G. ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

VILLAGE OF ROUND LAKE PARK, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. IMPACT OF RECENTLY ISSUED ACCOUNTING PRINCIPLES

Recently issued and adopted accounting pronouncements include the following:

1. GASBS 54

In May 2009, the GASB issued Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. GASB 54 requires the use of new fund balance classifications and clarifies existing governmental fund type definitions. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2010. The Village adopted GASBS 54 in fiscal year 2012.

2. GASBS 59

In June 2010, the GASB issued Statement 59, *Financial Instruments Omnibus*. GASB 59 updates and improves existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. The requirements of this Statement will improve financial reporting by providing more complete information, by improving consistency of measurements, and by providing clarifications of existing standards. This Statement is effective for financial statements for periods beginning after June 15, 2010. The Village adopted GASB Statement 59 in fiscal year 2012. The adoption of GASBS 59 does not have any impact on the Village's financial statements.

Recently issued accounting pronouncements include the following:

3. GASBS 60

In November 2010, the GASB issued Statement 60, *Accounting and Financial Reporting for Service Concession Arrangements*. GASBS 60 provides financial reporting guidance for concession arrangements (SCAs). SCAs are defined as an arrangement between a transferor (a government) and an operator (a governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. This Statement is effective for periods beginning after December 15, 2011.

VILLAGE OF ROUND LAKE PARK, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. IMPACT OF RECENTLY ISSUED ACCOUNTING PRINCIPLES (continued)

4. GASBS 61

In November 2010, the GASB issued Statement 61, *The Financial Reporting Entity: Omnibus*, which amends its accounting and financial reporting standards for including, presenting, and disclosing information about governmental component units, including equity interests. It is designed to result in governmental financial statements that include all appropriate entities that a government is accountable for or financially intertwined with. The Statement amends GASB Statements No. 14, *The Financial Reporting Entity*, and No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, to address financial reporting entity issues that have come to light since the issuance of those Statements in the 1990s. This Statement is effective for periods beginning after June 15, 2012.

5. GASBS 62

In December 2010, the GASB issued Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASBS 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA's) Committee on Accounting Procedure. This statement is effective for periods beginning after December 15, 2011.

6. GASBS 63

In June 2011, the GASB issued Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASBS 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes four components: assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011.

VILLAGE OF ROUND LAKE PARK, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. IMPACT OF RECENTLY ISSUED ACCOUNTING PRINCIPLES (continued)

7. GASBS 64

In June 2011, the GASB issued Statement 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions—An Amendment of GASB Statement No. 53*. GASBS 64 provides clarification on whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement is effective for periods beginning after June 15, 2011.

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS

A. CASH, CASH EQUIVALENTS, AND INVESTMENTS - VILLAGE

1. Authorized Deposits & Investments – Village-Owned Funds

The Illinois Compiled Statutes authorize Village funds to be invested in the following:

- a. In bonds, notes, certificates of indebtedness, treasury bills, or other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of America as to principal and interest;
- b. In bonds, notes, debentures, or other similar obligations of the United States of America, its agencies, and its instrumentalities;
- c. In interest-bearing savings accounts, interest-bearing certificates of deposit, or interest-bearing time deposits or any other investments constituting direct obligations of any bank as described and defined by the Illinois Banking Act. Investments may only be made in banks which are insured by the Federal Deposit Insurance Corporation (FDIC);

VILLAGE OF ROUND LAKE PARK, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2013

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS (continued)

A. CASH, CASH EQUIVALENTS, AND INVESTMENTS – VILLAGE (continued)

1. Authorized Deposits & Investments – Village-Owned Funds (continued)

The Illinois Compiled Statutes authorize Village funds to be invested in the following:
(continued)

- d. In short-term obligations of corporations organized in the United States with assets exceeding \$500,000,000 if (i) such obligations are rated at the time of purchase at one of the 3 highest classifications established by at least 2 standard rating services and which mature not later than 270 days from the date of purchase, (ii) such purchases do not exceed 10% of the corporation's outstanding obligations, and (iii) no more than one-third of the public agency's funds may be invested in short-term obligations of corporations;
- e. In money market mutual funds registered under the Investment Company Act of 1940, provided that the portfolio of any such money market mutual fund is limited to certain investments as described and defined in the Illinois Compiled Statutes;
- f. In interest-bearing bonds of any county, township, city, village, incorporated town, municipal corporation, or school district, of the State of Illinois, of any other state, or of any political subdivision or agency of the State of Illinois or of any other state. The bonds shall be rated at the time of purchase within the 4 highest general classifications established by a rating service of nationally recognized expertise in rating bonds of states and their political subdivisions;
- g. In short-term discount obligations of the Federal National Mortgage Association or in shares or other forms of securities legally issuable by savings banks or savings and loan associations incorporated under the laws of the State of Illinois or any other state or under the laws of the United States. Investments may be made only in those savings banks or savings and loan associations the shares, or investment certificates of which are insured by the Federal Deposit Insurance Corporation (FDIC);
- h. In dividend-bearing share accounts, share certificate accounts, or class of share accounts of a credit union chartered under the laws of the State of Illinois or the laws of the United States; provided, however, the principal office of any such credit union must be located within the State of Illinois. Investments may be made only in those credit unions the accounts of which are insured by applicable law;
- i. In a Public Treasurers' Investment Pool created under Section 17 of the State Treasurer Act;

VILLAGE OF ROUND LAKE PARK, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2013

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS (continued)

A. CASH, CASH EQUIVALENTS, AND INVESTMENTS – VILLAGE (continued)

1. Authorized Deposits & Investments – Village-Owned Funds (continued)

The Illinois Compiled Statutes authorize Village funds to be invested in the following:
(continued)

- j. In a fund managed, operated, and administered by a bank, subsidiary of a bank, or subsidiary of a bank holding company;
- k. In repurchase agreements of government securities having the meaning set out in the Government Securities Act of 1986 and subject to certain provision set forth in the Illinois Compiled Statutes.

B. CASH, CASH EQUIVALENTS, AND INVESTMENTS – POLICE PENSION

1. Authorized Deposits & Investments – Police Pension-Owned Funds

The Illinois Compiled Statutes authorize the Village's Police Pension Fund monies to be invested in the following:

- a. Interest-bearing direct obligations of the United States of America;
- b. Interest-bearing obligations to the extent that they are fully guaranteed or insured as to payment of principal and interest by the United States of America;
- c. Interest-bearing bonds, notes, debentures, or other similar obligations of agencies of the United States of America, as described and defined in the Illinois Compiled Statutes;
- d. Interest-bearing savings accounts or certificates of deposit, issued by federally chartered banks or savings and loan associations, to the extent that the deposits are insured by agencies or instrumentalities of the Federal government;

VILLAGE OF ROUND LAKE PARK, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2013

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS (continued)

B. CASH, CASH EQUIVALENTS, AND INVESTMENTS – POLICE PENSION (continued)

1. Authorized Deposits & Investments – Police Pension-Owned Funds (continued)

The Illinois Compiled Statutes authorize the Village's Police Pension Fund monies to be invested in the following:

(continued)

- e. Interest-bearing savings accounts or certificates of deposit, issued by State of Illinois chartered banks or savings and loan associations, to the extent that the deposits are insured by agencies or instrumentalities of the Federal government;
- f. Investments in credit unions, to the extent that the investments are insured by agencies or instrumentalities of the Federal government;
- g. Interest-bearing bonds of the State of Illinois;
- h. Pooled interest-bearing accounts managed by the Illinois Public Treasurer's Investment Pool in accordance with the Deposit of State Moneys Act, interest-bearing funds or pooled accounts of the Illinois Metropolitan Investment Funds, and interest-bearing funds or pooled accounts managed, operated, and administered by banks, subsidiaries of banks, or subsidiaries of bank holding companies in accordance with the laws of the State of Illinois;
- i. Interest-bearing bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois;
- j. Direct obligations of the State of Israel, subject to the conditions and limitations described and defined in the Illinois Compiled Statutes;
- k. Money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953, and are diversified, open-ended management investment companies; provided that the portfolio of the money market mutual fund is limited to certain investments as described and defined in the Illinois Compiled Statutes;
- l. General accounts of life insurance companies authorized to transact business in Illinois;

VILLAGE OF ROUND LAKE PARK, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2013

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS (continued)

B. CASH, CASH EQUIVALENTS, AND INVESTMENTS – POLICE PENSION (continued)

1. Authorized Deposits & Investments – Police Pension-Owned Funds (continued)

The Illinois Compiled Statutes authorize the Village's Police Pension Fund monies to be invested in the following:

(continued)

- m. Any combination of certain accounts and certain mutual funds, as described and defined in the Illinois Compiled Statutes that do not exceed 10% of the pension fund's net assets;
- n. Corporate bonds managed through an investment advisor that meet the requirements described and defined in the Illinois Compiled Statutes.

VILLAGE OF ROUND LAKE PARK, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2013

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS (continued)

C. CASH, CASH EQUIVALENTS, AND INVESTMENTS – YEAR-END BALANCES

The Village's deposits and investments at year-end were comprised of the following:

Account / Investment Type	Carrying Values	Bank / Investment Balances
Deposits with Financial Institutions	\$ 1,432,961	\$ 1,444,864
Money Market Mutual Funds	57,741	57,741
State and Local Bonds	151,753	151,753
U.S. Government and Agency Obligations	1,107,223	1,107,223
Equity Mutual Funds	148,792	148,792
Illinois Funds	141,572	140,897
Petty Cash	200	-
	<u>\$ 3,040,242</u>	<u>\$ 3,051,270</u>

Reconciliation to Financial Statements:

Amounts per Statement of Net Assets:

Unrestricted Cash	\$ 1,554,134
Retricted Cash	15,884
Total amount per Statement of Net Assets	<u>1,570,018</u>

Amount Per Statement of Plan Net Assets -

Fiduciary Funds - Police Pension Trust Fund	<u>1,470,224</u>
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Total Deposits and Investments \$ 3,040,242

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for interest-bearing accounts and unlimited amounts for noninterest-bearing accounts.

VILLAGE OF ROUND LAKE PARK, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2013

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS (continued)

C. CASH, CASH EQUIVALENTS, AND INVESTMENTS – YEAR-END BALANCES (continued)

The Securities Investor Protection Corporation (SIPC), which was created by the Securities Investor Protection Act of 1970, is an independent government-sponsored corporation and not an agency of the U.S. Government.

If a brokerage firm goes out of business and is a member of the Securities Investor Protection Corporation (SIPC), the account holder's cash and securities held by that brokerage firm may be protected up to \$500,000, including a \$250,000 limit for cash.

SIPC covers most types of securities, such as stocks, bonds, and mutual funds. SIPC does not protect against losses caused by declines in the market values of securities and does not provide protection for investment contracts not registered with the Securities and Exchange Commission (SEC).

The Village's Police Pension Fund Investments are held in an account at a brokerage house that is registered with the SIPC. The Village has no other investments.

At year-end, the Village Police Pension Fund held the following debt securities and investments with the following maturities:

Investment Type	Fair Value	Investment Maturities - In Years			
		Less Than 1	1-5	6-10	More Than 10
State and Local Securities	\$ 151,753	\$ -	\$ 15,061	\$ 71,831	\$ 64,861
U.S. Treasury Notes	252,690	20,294	162,012	70,384	-
Federal Farm Credit Bank	317,834	41,765	160,474	49,535	66,060
Federal Home Loan Mortgage Corporation	81,817	-	-	81,817	-
Federal Home Loan Bank	314,667	80,708	29,511	204,448	-
Federal National Mortgage Association	140,215	-	74,270	65,945	-
Money Market Mutual Funds	56,166	56,166	-	-	-
Total	\$1,315,142	\$ 198,933	\$441,328	\$543,960	\$ 130,921

The table above assumes any callable securities will not be called.

VILLAGE OF ROUND LAKE PARK, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2013

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS (continued)

D. CASH, CASH EQUIVALENTS, AND INVESTMENTS – RISKS

1. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village Police Pension Fund’s investment policy states “the assets shall be sufficiently liquid to meet the Pension Fund’s disbursement requirements for the payment of operating expenses and benefits.” The Village’s Police Pension Fund attempts to limit its exposure to interest rate risk by investing in fixed income securities with varying interest rates and maturity dates.

2. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village Police Pension Fund helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and / or its agencies that are implicitly guaranteed by the United States Government. The Village Police Pension Fund’s investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code.

The Village Police Pension Fund’s investments in the securities of State and Local Obligations were all rated AA or better and U.S. Government agencies were all rated AA+ and AAA by Standard and Poor’s and Moody’s Investors Services, respectively, or were small issues that were unrated. Those unrated investments are listed in the table below.

Investment Type	Par Value	Rate	Date
Eastern Illinois University Bond	\$ 5,000	5.800%	April 1, 2022
Cook County, Illinois Bond	14,000	5.650%	December 1, 2015
Federal Home Loan Bank	15,000	2.130%	February 6, 2023

In August of 2011, U.S. Treasury and government agency security ratings were downgraded by Standard and Poor’s rating agency from AAA to AA+. The other two ratings agencies, Moody’s Investors Services and Fitch Group, reaffirmed the AAA rating. The impact of the downgrade is not known at this time.

VILLAGE OF ROUND LAKE PARK, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2013

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS (continued)

D. CASH, CASH EQUIVALENTS, AND INVESTMENTS – RISKS (continued)

3. Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Village's and /or Village Police Pension Fund's deposits may not be returned to it. At April 30, 2013, the entire amount of the bank balance of deposits was covered by federal depository or equivalent insurance.

4. Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the Village's Police Pension Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Money market mutual funds and equity mutual funds are not subject to custodial credit risk. In accordance with its investment policy the Village's Police Pension Fund limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the Village's Police Pension Board, to act as custodian for its securities and collateral.

5. Concentration of Credit Risk

This is the risk of loss attributed to the magnitude of the Village Police Pension Fund's investment in a single issuer. The Village Police Pension Fund does not have a formal written policy with regards to concentration credit risk for investments. At April 30, 2013, the Village Police Pension Fund held over 5%, or \$73,860, of plan net assets in various agency securities as indicated in the table on page 42. Agency investments represent a large portion of the Village Police Pension Fund portfolio; however, the investments are diversified by maturity date and, as mentioned earlier, are backed by the issuing organization. Although, unlike Treasuries, agency securities do not have the "full faith and credit" backing of the U.S. Government, they are considered to be supported by a moral obligation of implicit backing and are supported by Treasury lines of credit and are the focus of increasingly stringent Federal regulation.

VILLAGE OF ROUND LAKE PARK, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2013

2. **CASH, CASH EQUIVALENTS, AND INVESTMENTS (continued)**

E. **CASH, CASH EQUIVALENTS, AND INVESTMENTS – MUTUAL FUND DETAIL**

The Village Police Pension Board has diversified its equity mutual fund holdings as follows:

<u>Investment Fund Name</u>	<u>Amount, At Fair Value</u>
Vanguard 500 Index Signal Fund	\$ 26,577
T. Rowe Price Growth Stock Fund	26,642
Pioneer Equity Income Fund	19,166
LSV Value Equity Fund	19,211
Royce Total Return Investment Fund	10,295
Baron Small Cap Institutional Fund	10,422
Cohen and Steers Institutional Realty Shares Fund	8,091
RS Global Natural Resources Fund	7,558
Hennessy Focus Institutional Fund	4,795
Scout International Fund	4,263
Bridgeway Ultra-Small Company Market Fund	4,581
Oppenheimer Developing Markets Fund	4,694
First Eagle Overseas Fund	2,497
Total	<u>\$ 148,792</u>

VILLAGE OF ROUND LAKE PARK, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2013

3. INTERFUND ACTIVITIES

A. INTERFUND RECEIVABLES / PAYABLES

The Village's interfund (due to / due from) balances consisted of the following as of April 30, 2013:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Governmental Funds	Water / Sewer Fund	<u>\$ 248,887</u>	General Operations

The above balance is expected to be liquidated in the next fiscal year during the course of normal operations.

4. DISAGGREGATION OF RECEIVABLE BALANCES

The Village's receivables as of year-end were comprised of the following:

<u>Type of Receivable</u>	<u>Amount</u>
Property taxes, net - General Fund	\$ 470,473
Property taxes, net - Downtown Redevelopment Fund	155,747
Property taxes, net - Retirements Fund	17,449
Property taxes, net - Road and Bridge Fund	4,158
Property taxes, net - Liability Insurance Fund	93,061
Property taxes, net - Audit Fund	15,510
Total property taxes, net	<u>756,398</u>
Motor fuel tax	12,907
State income tax	352,005
Utility tax	96,763
Use tax	27,768
Sales tax	84,355
Personal property replacement tax	839
Total other taxes	<u>574,637</u>
Refuse charges	<u>1,963</u>
Total other receivables	1,963
Water / sewer charges	<u>276,971</u>
Total receivables per Statement of Net Position	<u>\$ 1,609,969</u>

VILLAGE OF ROUND LAKE PARK, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2013

4. DISAGGREGATION OF RECEIVABLE BALANCES (continued)

All of the Village's receivables are expected to be collected within one year.

The amount uncollectible in relation to the water and sewer receivable is deemed immaterial and therefore has not been tracked by the Village.

5. DISAGGREGATION OF DEFERRED REVENUE BALANCES

The Village's deferred revenue balances as of year-end were comprised of the following:

<u>Type of Revenue Deferred</u>	<u>Amount</u>
Real estate taxes - General Fund	\$ 326,591
Real estate taxes - Retirements Fund	17,449
Real estate taxes - Liability Insurance Fund	93,061
Real estate taxes - Audit Fund	15,510
Real estate taxes - Downtown Redevelopment Fund	155,747
Real estate taxes - Road and Bridge Fund	<u>4,158</u>
Total real estate taxes	<u>612,516</u>
 Total deferred revenues per Statement of Net Position	 <u><u>\$ 612,516</u></u>

Under the accrual method, deferred revenue is recognized as revenue in the period in which it has been earned. An exception in Illinois is real estate taxes, whereby the intent of the Village is to finance the following year's operations with the real estate taxes related to that year. Therefore, those amounts remain deferred at year-end for purposes of the government-wide financial statements.

VILLAGE OF ROUND LAKE PARK, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2013

6. RESTRICTED ASSETS

At year-end the Village's restricted assets were comprised of the following:

Fund	Type of Restriction	Amount
Downtown Redevelopment	Bond purposes (capital projects)	\$ 1,104,636
Retirements	Payment of employer IMRF and Social Security contributions	177,598
Motor Fuel Tax	Highway and street maintenance	210,427
General Fund	Public safety	15,884
Debt Service	Debt service	33,476
Liability Insurance	Payment of liability insurance premiums	<u>16,534</u>
Total restricted net assets per Statement of Net Position		<u>\$ 1,558,555</u>

7. CAPITAL ASSETS – GOVERNMENTAL ACTIVITIES

The Village's governmental fund capital asset activity during the current fiscal year was as follows:

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance
<u>Non-Depreciable Assets:</u>				
Land	\$ 1,017,819	\$ -	\$ -	\$ 1,017,819
<u>Depreciable Assets:</u>				
Buildings	1,458,093	-	-	1,458,093
Machinery and Equipment	1,008,514	117,518	-	1,126,032
Land Improvements	438,552	575,796	-	1,014,348
Total Depreciable Assets	<u>2,905,159</u>	<u>693,314</u>	<u>-</u>	<u>3,598,473</u>
Total Capital Assets	<u>3,922,978</u>	<u>693,314</u>	<u>-</u>	<u>4,616,292</u>
Less: Accumulated Depreciation for:				
Buildings	(439,808)	(28,076)	-	(467,884)
Machinery and Equipment	(875,285)	(56,558)	-	(931,843)
Land Improvements	(133,360)	(33,063)	-	(166,423)
Total Accumulated Depreciation	<u>(1,448,453)</u>	<u>(117,697)</u>	<u>-</u>	<u>(1,566,150)</u>
Depreciable Assets, Net	<u>1,456,706</u>	<u>575,617</u>	<u>-</u>	<u>2,032,323</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 2,474,525</u>	<u>\$ 575,617</u>	<u>\$ -</u>	<u>\$ 3,050,142</u>

VILLAGE OF ROUND LAKE PARK, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2013

7. CAPITAL ASSETS – GOVERNMENTAL ACTIVITIES (continued)

Governmental activities depreciation expense was charged to the following functions:

General Government	\$	43,612
Public Safety		52,576
Public Works		<u>21,509</u>
Total Governmental Activities Depreciation Expense	<u>\$</u>	<u>117,697</u>

8. CAPITAL ASSETS – BUSINESS-TYPE ACTIVITIES

The Village's enterprise fund-related capital asset activity for the current fiscal year was as follows:

Business-Type Activities	Beginning Balance	Additions	Deletions	Ending Balance
<u>Depreciable Assets:</u>				
Infrastructure	\$ 5,162,121	\$ 139,986	\$ -	\$ 5,302,107
Buildings	915,590	-	-	915,590
Machinery and Equipment	315,112	-	-	315,112
Land Improvements	129,180	-	-	129,180
Total Depreciable Assets	<u>6,522,003</u>	<u>139,986</u>	<u>-</u>	<u>6,661,989</u>
Less: Accumulated Depreciation for:				
Infrastructure	(2,813,569)	(184,899)	-	(2,998,468)
Buildings	(353,379)	(18,312)	-	(371,691)
Machinery and Equipment	(188,868)	(19,428)	-	(208,296)
Land Improvements	(67,505)	(4,719)	-	(72,224)
Total Accumulated Depreciation	<u>(3,423,321)</u>	<u>(227,358)</u>	<u>-</u>	<u>(3,650,679)</u>
Total Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 3,098,682</u>	<u>\$ (87,372)</u>	<u>\$ -</u>	<u>\$ 3,011,310</u>

The Village only has one proprietary fund, the Water / Sewer Fund; therefore all business-type activities depreciation expense was posted to that Fund and not to any specific function.

VILLAGE OF ROUND LAKE PARK, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2013

9. RISK MANAGEMENT

The Village is exposed to various risks of loss such as, but not limited to, the following: torts; theft of, damage to, or destruction of assets; administrative errors and omissions; injuries to employees and to others; natural disasters; and the health care of its employees. The Village purchases commercial insurance to provide coverage for losses from those risks. The Village's property coverage decreased by approximately \$1,000,000 between fiscal years 2011 and 2012. This drop resulted from property value decreases caused by the poor economy. There have been no claims in excess of coverage over the last 3 fiscal years.

10. LONG-TERM DEBT – GOVERNMENTAL FUNDS

A summary of the changes in governmental activity long-term debt for the year ended April 30, 2013 is presented in the following table.

Issue	Balance May 1, 2012	Additions	Reductions	Balance April 30, 2013	Due Within One Year
General Obligation (Alternate Revenue Source) Refunding Bonds, Series 2009 (Build America Bonds), dated January 1, 2010. Principal is payable in annual installments of \$55,000 to \$120,000 through January 1, 2029 with interest payable in semiannual installments at 5.0% to 7.4%.	\$ 1,430,000	-	\$ 55,000	\$ 1,375,000	\$ 60,000
Capital lease for Public Works vehicle in the amount of \$61,429, dated November 2, 2012, with principal and interest due in monthly installments of \$1,195 beginning November 2, 2012 and ending January 2, 2018 with interest at 5.85%.	-	61,429	3,000	58,429	11,217
Capital lease for new phone system in the amount of \$38,000, dated November 28, 2012 with principal and interest due in monthly installments of \$700 beginning December 2, 2012 and ending September 2, 2017 with interest at 4.00%	-	38,000	4,301	33,699	7,180
Totals	\$ 1,430,000	\$ 99,429	\$ 62,301	\$ 1,467,128	\$ 78,397

VILLAGE OF ROUND LAKE PARK, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2013

10. LONG-TERM DEBT – GOVERNMENTAL FUNDS (continued)

A summary of the changes in business

Debt service to maturity on outstanding governmental activity debt is as follows:

Fiscal Year	Principal	Interest	Total
2014	\$ 78,397	\$ 65,444	\$ 143,841
2015	79,364	62,332	141,696
2016	85,384	59,167	144,551
2017	86,459	55,556	142,015
2018	82,524	51,979	134,503
2019-2023	410,000	209,837	619,837
2024-2028	525,000	106,230	631,230
2029	120,000	5,772	125,772
Totals	<u>\$ 1,467,128</u>	<u>\$ 616,316</u>	<u>\$ 2,083,444</u>

VILLAGE OF ROUND LAKE PARK, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2013

11. LONG-TERM DEBT – PROPRIETARY FUNDS

A summary of the changes in business-type activity long-term debt for the year ended April 30, 2013 is presented in the following table.

Issue	Balance May 1, 2012	Additions	Reductions	Balance April 30, 2013	Due Within One Year
Capital lease for public works equipment in the amount of \$63,389, dated January 13, 2010, with principal and interest payments due monthly in the amount of \$1,261 commencing February 2010 through January 2015, with interest at 4.00%. The lease is secured by a dump truck with a net book value of \$51,372 at April 30, 2013.	\$ 39,120	-	\$ 13,803	\$ 25,317	\$ 14,365
Loan with a financial institution in the amount of \$420,000, dated December 15, 2009, with semiannual interest paid on January 1 and July 1, with interest at 3.50% and with principal payable in annual installments of \$84,000 on January 1 of each year, commencing January 1, 2011.	252,000	-	84,000	168,000	84,000
Totals	\$ 291,120	\$ -	\$ 97,803	\$ 193,317	\$ 98,365

Debt service to maturity on outstanding business-type activity debt is as follows:

Fiscal Year	Principal	Interest	Total
2014	\$ 98,365	\$ 6,724	\$ 105,089
2015	94,952	3,025	97,977
	<u>\$ 193,317</u>	<u>\$ 9,749</u>	<u>\$ 203,066</u>

VILLAGE OF ROUND LAKE PARK, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2013

12. LEGAL DEBT MARGIN

The Illinois Compiled Statutes state that but for certain excepted debt, as defined in Chapter 65, Section 5/8-5-1 of said Statutes, "no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.625% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979. The Village did not exceed its legal debt margin at April 30, 2013.

13. EMPLOYEE RETIREMENT SYSTEMS – DEFINED BENEFIT PENSION PLANS

A. ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF)

1. Plan Description

The Village's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Village's Plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained online at www.imrf.org.

2. Funding Policy

As set by statute, the Village's Regular Plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2012 was 8.00 percent. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

VILLAGE OF ROUND LAKE PARK, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2013

13. EMPLOYEE RETIREMENT SYSTEMS – DEFINED BENEFIT PENSION PLANS (continued)

A. ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF) (continued)

3. Annual Pension Cost

The Village's required contribution for calendar year 2012 was equal to its required contribution for that period, \$34,254.

Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2012	\$ 34,254	100%	\$ -
12/31/2011	41,012	100%	-
12/31/2010	41,481	90%	-

The required contribution for 2012 was determined as part of the December 31, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% per year, attributable to inflation, (c) additional projected salary increases ranging from 0.40% to 10.00% per year, depending on age and service, attributable to seniority / merit, and (d) post-retirement benefit increases of 3.00% annually. The actuarial value of the Village's Regular Plan Assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20.00% corridor between the actuarial and market value of assets. The Village's Regular Plan's overfunded actuarial accrued liability at December 31, 2010, is being amortized as a level percentage of projected payroll on an open 30 year basis.

4. Funded Status and Funding Progress

As of December 31, 2012, the most recent actuarial valuation date, the Regular Plan was 111.0 percent funded. The actuarial accrued liability for benefits was \$1,666,791 and the actuarial value of assets was \$1,860,101, resulting in an overfunded actuarial accrued liability (OAAL) of \$193,310. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$428,173. Because the Plan is overfunded, there is no ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll.

VILLAGE OF ROUND LAKE PARK, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2013

13. EMPLOYEE RETIREMENT SYSTEMS – DEFINED BENEFIT PENSION PLANS (continued)

A. ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF) (continued)

4. Funded Status and Funding Progress (continued)

The Schedule of Funding Progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

B. SHERIFF'S LAW ENFORCEMENT PERSONNEL PLAN (SLEP)

1. Plan Description

The Village's defined benefit pension plan for Sheriff's Law Enforcement Personnel employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained online at www.imrf.org.

2. Funding Policy

As set by statute, the Village's Sheriff's Law Enforcement Personnel Plan members are required to contribute 7.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2012 was 12.96 percent. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

VILLAGE OF ROUND LAKE PARK, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2013

13. EMPLOYEE RETIREMENT SYSTEMS – DEFINED BENEFIT PENSION PLANS (continued)

B. SHERIFF’S LAW ENFORCEMENT PERSONNEL PLAN (SLEP) (continued)

3. Annual Pension Cost

The required contribution for calendar year 2012 was \$2,666.

Three-Year Trend Information For The Sheriff’s Law Enforcement Personnel Plan

Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2012	\$ -	100%	\$ -
12/31/2011	-	100%	-
12/31/2010	-	100%	-

The required contribution for 2012 was determined as part of the December 31, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% per year, attributable to inflation, (c), additional projected salary increases ranging from 0.40% to 10.00% per year, depending on age and service, attributable to seniority / merit, and (d) post-retirement benefit increases of 3.00% annually. The actuarial value of the Village’s Sheriff’s Law Enforcement Personnel Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20.00% corridor between the actuarial and market value of assets. The Village’s Sheriff’s Law Enforcement Personnel Plan’s unfunded actuarial accrued liability (UAAL) at December 31, 2010, is being amortized as a level percentage of projected payroll on an open 30 year basis.

VILLAGE OF ROUND LAKE PARK, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2013

13. EMPLOYEE RETIREMENT SYSTEMS – DEFINED BENEFIT PENSION PLANS (continued)

B. SHERIFF’S LAW ENFORCEMENT PERSONNEL PLAN (SLEP)

4. Funded Status and Funding Progress

As of December 31, 2012, the most recent actuarial valuation date, the Sheriff’s Law Enforcement Personnel Plan was 93.54 percent funded. The actuarial accrued liability for benefits was \$581,185 and the actuarial value of assets was \$543,643, resulting in an unfunded actuarial accrued liability (UAAL) of \$37,542. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$0 and the ratio of the UAAL to the covered payroll was 0.00%.

The Schedule of Funding Progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

C. POLICE PENSION PLAN

1. Plan Description

The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The Police Pension Plan provides retirement, disability, and death benefits, as well as automatic annual cost of living adjustments, to plan members and their beneficiaries. Plan members are required to contribute 9.91% of their annual covered payroll. The Village is required to contribute at an actuarially determined rate. Although this is a single-employer pension plan, the defined benefits and contribution requirements of the plan members and the Village are governed by Illinois State Statutes and may only be amended by the Illinois legislature. Administrative costs are financed through investment earnings. The Police Pension Plan does not issue a stand-alone financial report.

VILLAGE OF ROUND LAKE PARK, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2013

13. EMPLOYEE RETIREMENT SYSTEMS – DEFINED BENEFIT PENSION PLANS (continued)

C. POLICE PENSION PLAN (continued)

1. Plan Description (continued)

At April 30, 2013, the date of the latest actuarial valuation, the Police Pension Plan membership consisted of the following:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Members Entitled to But Not Yet Receiving Benefits	4
Active Plan Members	<u>12</u>
Total	<u><u>16</u></u>

2. Plan Provisions and Funding Policies

The following is a summary of the Police Pension Plan as provided for in the Illinois State Statutes.

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees hired before January 1, 2011, attaining the age of 50 or more, with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary.

Covered employees hired on or after January 1, 2011, attaining the age of 55 with at least 10 years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of creditable service, with a maximum salary cap of \$106,800 at January 1, 2011. The maximum salary cap increases each year thereafter.

The monthly benefit of a police officer hired before January 1, 2011, 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% of the original pension and 3% compounded annually thereafter.

VILLAGE OF ROUND LAKE PARK, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2013

13. EMPLOYEE RETIREMENT SYSTEMS – DEFINED BENEFIT PENSION PLANS (continued)

C. POLICE PENSION PLAN (continued)

2. Plan Provisions and Funding Policies (continued)

The monthly pension of a police officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, by the lesser of 3% or ½ of the consumer price index (CPI).

Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

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 Plan as actuarially determined by an enrolled actuary. By the year 2040, the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded.

3. Funded Status and Funding Progress

The Schedule of Funding Progress, presented as Required Supplementary Information (RSI) following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan net assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed; and the period, to be 100% funded by 2040; and the significant actuarial assumptions were an investment rate of return at 5.5%, compounded annually, a projected salary increases assumption of 5.5%, including a 3.0% inflation factor, and cost-of-living adjustments of 3.0%, compounded annually.

VILLAGE OF ROUND LAKE PARK, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2013

13. EMPLOYEE RETIREMENT SYSTEMS – DEFINED BENEFIT PENSION PLANS (continued)

C. POLICE PENSION PLAN (continued)

3. Funded Status and Funding Progress (continued)

The Police Pension Plan funding status and related information for the current year is as follows:

Actuarial Valuation Date	April 30, 2012
Percent Funded	19.77%
Actuarial Accrued Liability for Benefits	\$ 5,634,443
Actuarial Value of Assets	\$ 1,114,077
Over (Under) Funded Actuarial Accrued Liability (UAAL)	\$ (4,520,366)
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$ 777,921
Ratio of UAAL to Covered Payroll	581.08%

VILLAGE OF ROUND LAKE PARK, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2013

14. DEFICIT BALANCES

Generally accepted accounting principles require the disclosure of individual funds that have deficit balances at year-end.

As of April 30, 2013, the following individual funds held deficit balances:

Fund	Amount	Reason for Deficit
Road and Bridge	\$ (16,504)	Excess of expenditures over revenues
Audit	(2,167)	Excess of expenditures over revenues
Capital Projects	(191,559)	Excess of expenditures over revenues

Fund deficits are expected to be funded with future contributions.

15. COMMITMENTS AND CONTINGENCIES

The Village received a letter from the attorney for the Village's Police Pension Fund. In that letter the Pension Fund's attorney stated that the amount of tax levy that is required to properly fund the Police Pension Fund for the contribution year dated May 1, 2012 is \$375,449.00. The last levy for the Pension Fund was \$189,000.92, and any future levy is limited by the Illinois "Property Tax Extension Limitation Law" (35 ILCS 200/18-205) to an increase that is either "5% or the percentage increase in the Consumer Price Index during the 12-month calendar year preceding the tax levy." The limitation provided by aforesaid Illinois "Property Tax Extension Limitation Law" limits the ability of the Village of Round Lake Park to levy the amount recommended by the Police Pension Fund's actuary. In order to remedy the underfunding of the Police Pension Fund, the Village placed a referendum question on the April 9, 2013, election ballot to increase the tax levy by 34.251% for the 2013 tax year. The referendum was unsuccessful.

Because the referendum was unsuccessful, the Police Pension Fund's Board has the power and authority to file a lawsuit against the Village, seeking various forms of relief, including an increase in the Village's tax levy or a diversion of other Village funds into the Police Pension Fund. It is the opinion of management in consultation with legal counsel that it is unlikely that such a lawsuit would prevail.

VILLAGE OF ROUND LAKE PARK, ILLINOIS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2013

16. SUBSEQUENT EVENTS

The Village's administration has evaluated subsequent events through December 4, 2013, the date the financial statements were available to be issued. Due to investment market fluctuation, total pension fund plan assets, as reported, may not be representative of values subsequent to year end.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULES OF FUNDING PROGRESS

Village of Round Lake Park, Illinois
Illinois Municipal Retirement Fund (IMRF)
Required Supplementary Information
Schedule of Funding Progress
April 30, 2013

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liability (AAL) - Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2012	\$ 1,860,101	\$ 1,666,791	\$ (193,310)	111.60 %	\$ 428,173	0.00 %
12/31/2011	1,861,549	1,737,251	(124,298)	107.15	452,675	0.00
12/31/2010	1,824,681	1,786,488	(38,193)	102.14	440,347	0.00

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$1,902,725. On a market basis, the funded ratio would be 114.15%

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with the Village of Round Lake Park. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

See independent auditor's report.

Village of Round Lake Park, Illinois
Sheriff's Law Enforcement Personnel (SLEP)
Required Supplementary Information -
Schedule of Funding Progress
April 30, 2013

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liability (AAL) - Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2012	\$ 543,643	\$ 581,185	\$ 37,542	93.54 %	\$ -	0.00 %
12/31/2011	512,212	540,638	28,426	94.74	-	N/A
12/31/2010	488,687	502,917	14,230	97.17	-	N/A

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$554,697. On a market basis, the funded ratio would be 95.44%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with the Village of Round Lake Park. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

See independent auditor's report.

Village of Round Lake Park, Illinois
 Fiduciary Funds
 Police Pension Fund
 Required Supplementary Information
 Schedule of Funding Progress - Illinois Department of Insurance
 April 30, 2013

Actuarial Valuation Date April 30	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability AAL (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) / (5)
2007	\$ 536,533	\$ 3,295,908	16.28%	\$ 2,759,375	\$ 631,824	436.73%
2008	734,372	3,744,006	19.61%	3,009,634	713,284	421.94%
2009	663,781	4,166,662	15.93%	3,502,881	738,976	474.02%
2010	924,379	4,436,352	20.84%	3,511,973	738,976	475.25%
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

N/A - Information is presented for as many of the six prior years as information according to disclosure parameters is available. Information for these years is not available.

Notes to the Required Supplementary Information:

The information presented was determined as part of the actuarial valuations as of the dates indicated. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed, and the amortization period was 23 years; the asset valuation method was a market value method; and the significant actuarial assumptions were an investment rate of return at 7.0%, a projected salary increases assumption of 5.5%, compounded annually, including a 3.0% inflation factor, and cost-of-living adjustments of 3.0%, compounded annually.

See independent auditor's report.

Village of Round Lake Park, Illinois
Fiduciary Funds
Police Pension Fund
Required Supplementary Information
Schedule of Funding Progress - Private Actuary
April 30, 2013

Actuarial Valuation Date April 30	(1) Actuarial Value of Plan Assets	(2) Actuarial Liability (AAL) - Entry Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) Actuarial Liability AAL (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Liability as a Percentage of Covered Payroll (4) / (5)
2007	\$ 563,796	\$ 3,314,727	17.01%	\$ 2,750,931	\$ 631,823	435.40%
2008	N/A	N/A	N/A	N/A	N/A	N/A
2009	N/A	N/A	N/A	N/A	N/A	N/A
2010	N/A	N/A	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A	N/A	N/A
2012	1,114,077	5,634,443	19.77%	4,520,366	777,921	581.08%

N/A - Information is presented for as many of the six prior years as information according to disclosure parameters is available. Information for these years is not available.

Notes to the Required Supplementary Information:

The information presented was determined as part of the actuarial valuations as of the dates indicated. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed, and the asset valuation method was a market value method. The 2007 valuation was completed by the Tepper Consulting Group, Ltd., using an amortization period that was 23 years; and the significant actuarial assumptions were an investment rate of return at 6.75%, compounded annually, a projected salary increases assumption of 1.122% to 4.8611%, including a 2.0% inflation factor, and cost-of-living adjustments of 3.0%, compounded annually. The 2012 valuation was completed by Lauterbach and Amen, LLP, using an amortization period to be 100% funded by 2040; and the significant actuarial assumptions were an investment rate of return at 5.5%, compounded annually, a projected salary increases assumption of 5.5%, including a 3.0% inflation factor, and cost-of-living adjustments of 3.0%, compounded annually.

See independent auditor's report.

SCHEDULES OF EMPLOYER CONTRIBUTIONS

Village of Round Lake Park, Illinois
Illinois Municipal Retirement Fund (IMRF)
Required Supplementary Information -
Employer Contributions
April 30, 2013

Fiscal Year Ended April 30,	Employer Contributions	Annual Required Contribution	Percent Contributed	Net Pension Obligation
2012	\$ 34,254	\$ 34,254	100.00 %	\$ -
2011	41,012	41,012	100.00	-
2010	41,481	41,481	90.00	4,148

See independent auditor's report.

Village of Round Lake Park, Illinois
Sheriff's Law Enforcement Personnel (SLEP)
Required Supplementary Information -
Employer Contributions
April 30, 2013

Fiscal Year Ended April 30,	Employer Contributions	Annual Required Contribution	Percent Contributed	Net Pension Obligation
2012	\$ -	\$ -	0.00 %	\$ -
2011	-	-	0.00	-
2010	-	-	0.00	-

See independent auditor's report.

Village of Round Lake Park, Illinois
Fiduciary Funds
Police Pension Fund
Required Supplementary Information
Employer Contributions - Illinois Department of Insurance
April 30, 2013

Fiscal Year Ended April 30	Employer Contributions	Annual Required Contribution	Percent Contributed
2008	\$ 122,988	\$ 235,644	52.19%
2009	138,953	265,787	52.28%
2010	114,213	294,688	38.76%
2011	165,354	301,393	54.86%
2012	183,883	N/A	N/A
2013	197,364	N/A	N/A

N/A - Information is presented for as many of the six prior years as information according to disclosure parameters is available. Information for these years is not available.

Notes to the Required Supplementary Information:

The information presented was determined as part of the actuarial valuations as of April 30 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed, and the amortization period was 23 years; the asset valuation method was a market value method; and the significant actuarial assumptions were an investment rate of return at 7.0%, a projected salary increases assumption of 5.5%, compounded annually, including a 3.0% inflation factor, and cost-of-living adjustments of 3.0%, compounded annually.

See independent auditor's report.

**Village of Round Lake Park, Illinois
 Fiduciary Funds
 Police Pension Fund
 Required Supplementary Information
 Employer Contributions - Private Actuary
 April 30, 2013**

Fiscal Year Ended April 30	Employer Contributions	Annual Required Contribution	Percent Contributed
2008	\$ 122,988	242,162	50.79%
2009	138,953	N/A	N/A
2010	114,213	N/A	N/A
2011	165,354	N/A	N/A
2012	183,883	N/A	N/A
2013	197,364	375,449	52.57%

N/A - Information is presented for as many of the six prior years as information according to disclosure parameters is available. Information for these years is not available.

Notes to the Required Supplementary Information:

The information presented was determined as part of the actuarial valuations as of April 30 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed, and the asset valuation method was a market value method. The 2008 valuation was completed by the Tepfer Consulting Group, Ltd., using an amortization period that was 23 years; and the significant actuarial assumptions were an investment rate of return at 6.75%, compounded annually, a projected salary increases assumption of 1.122% to 4.8611%, including a 2.0% inflation factor, and cost-of-living adjustments of 3.0%, compounded annually. The 2012 valuation was completed by Lauterbach and Amen, LLP, using an amortization period to be 100% funded by 2040; and the significant actuarial assumptions were an investment rate of return at 5.5%, compounded annually, a projected salary increases assumption of 5.5%, including a 3.0% inflation factor, and cost-of-living adjustments of 3.0%, compounded annually.

See independent auditor's report.

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND**

Village of Round Lake Park, Illinois
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
General Fund
For the Year Ended April 30, 2013

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Property taxes	\$ -	\$ 467,707	\$ 467,707
Other taxes	-	747,855	747,855
Intergovernmental	-	1,185,664	1,185,664
Licenses and permits	-	159,480	159,480
Charges for services	-	9,951	9,951
Fines and forfeitures	-	369,654	369,654
Grants and donations	-	26,742	26,742
Interest	-	105	105
Miscellaneous	-	25,339	25,339
Total revenues	-	2,992,497	2,992,497
Expenditures:			
General government	886,455	285,120	601,335
Public safety	2,338,870	1,811,957	526,913
Public works	473,240	217,931	255,309
Capital Outlay	65,250	18,089	47,161
Debt service	31,000	9,679	21,321
Total expenditures	3,794,815	2,342,776	1,383,557
Revenues over (under) expenditures	(3,794,815)	649,721	4,376,054
Net changes in fund balance	\$ (3,794,815)	649,721	\$ 4,376,054
Fund balance, beginning of the year		395,231	
Fund balance, end of the year		\$ 1,044,952	

See independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NON-MAJOR GOVERNMENTAL FUNDS

Village of Round Lake Park, Illinois
 Combining Balance Sheet -
 Nonmajor Governmental Funds
 April 30, 2013

	Special Revenue Funds							Totals
	Retirements Fund	Motor Fuel Tax Fund	Road and Bridge Fund	Liability Insurance Fund	Audit Fund	Capital Projects Fund	Debt Service Fund	
ASSETS								
Cash	\$ -	\$ 200,078	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,078
Receivables - property taxes, net	17,449	-	4,158	93,061	15,510	-	-	130,178
Receivables - other taxes	-	12,907	-	-	-	-	-	12,907
Due from other funds	177,598	-	-	16,534	-	-	33,476	227,608
TOTAL ASSETS	\$ 195,047	\$ 212,985	\$ 4,158	\$ 109,595	\$ 15,510	\$ -	\$ 33,476	\$ 570,771
LIABILITIES & FUND BALANCES								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	2,558	16,504	-	2,167	191,559	-	212,788
Deferred revenues	17,449	-	4,158	93,061	15,510	-	-	130,178
TOTAL LIABILITIES	17,449	2,558	20,662	93,061	17,677	191,559	-	342,966
Fund balances (deficit):								
Restricted for capital projects	-	-	-	-	-	-	-	-
Unassigned:								
Reported in debt service funds	-	-	-	-	-	-	33,476	33,476
Reported in special revenue funds	177,598	210,427	(16,504)	16,534	(2,167)	(191,559)	-	194,329
TOTAL FUND BALANCES (DEFICIT)	177,598	210,427	(16,504)	16,534	(2,167)	(191,559)	33,476	227,805
TOTAL LIABILITIES & FUND BALANCES	\$ 195,047	\$ 212,985	\$ 4,158	\$ 109,595	\$ 15,510	\$ -	\$ 33,476	\$ 570,771

See independent auditor's report.

Village of Round Lake Park, Illinois
Combining Schedule of Revenues, Expenditures, and Changes
in Fund Balances (Deficits) - Nonmajor Governmental Funds
For the Year Ended April 30, 2013

	Special Revenue Funds							Totals
	Retirements Fund	Motor Fuel Tax Fund	Road and Bridge Fund	Liability Insurance Fund	Audit Fund	Capital Projects Fund	Debt Service Fund	
Revenues:								
Property taxes	\$ 16,217	\$ -	\$ 5,929	\$ 97,307	\$ 15,445	\$ -	\$ -	\$ 134,898
Other taxes	-	212,207	-	-	-	-	-	212,207
Interest	-	120	-	-	-	-	-	120
Total revenues	16,217	212,327	5,929	97,307	15,445	-	-	347,225
Expenditures:								
Current:								
General government	67,110	-	-	109,197	16,540	-	-	192,847
Public works	-	73,869	-	-	-	-	-	73,869
Capital Outlay	-	166,142	-	-	-	-	-	166,142
Total expenditures	67,110	240,011	-	109,197	16,540	-	-	432,858
Net changes in fund balances (deficit)	(50,893)	(27,684)	5,929	(11,890)	(1,095)	-	-	(85,633)
Fund balances (deficit), beginning of the year	228,491	238,111	(22,433)	28,424	(1,072)	(191,559)	33,476	313,438
Fund balances (deficit), end of the year	\$ 177,598	\$ 210,427	\$ (16,504)	\$ 16,534	\$ (2,167)	\$ (191,559)	\$ 33,476	\$ 227,805

See independent auditor's report.

BUDGETARY COMPARISON SCHEDULES – GENERAL FUND

Village of Round Lake Park, Illinois
Detailed Schedule of Revenues - Budget and Actual
General Fund
For the Year Ended April 30, 2013

	Original and Final Budget	Actual	Variance Positive (Negative)
Property taxes	\$ -	\$ 467,707	\$ 467,707
Other taxes:			
Sales taxes	-	328,418	328,418
Utility taxes	-	419,437	419,437
Total other taxes	-	747,855	747,855
Intergovernmental:			
Income taxes	-	974,126	974,126
Use taxes	-	147,312	147,312
Replacement taxes	-	4,226	4,226
Landfill agreement	-	60,000	60,000
Total intergovernmental	-	1,185,664	1,185,664
Licenses and permits:			
Vehicle licenses	-	31,875	31,875
Truck licenses	-	7,398	7,398
Business licenses	-	14,555	14,555
Building permits	-	26,680	26,680
Occupancy permits	-	14,831	14,831
Tower rental fees	-	25,897	25,897
Other permits and fees	-	1,765	1,765
Franchise fees	-	36,479	36,479
Total licenses and permits	-	159,480	159,480
Grants and donations	-	26,742	26,742
Charges for services - garbage	-	9,951	9,951
Fines and forfeitures:			
Court fines	-	234,908	234,908
Ordinance violations	-	74,096	74,096
Tow fees	-	50,450	50,450
Adjudication fines	-	10,200	10,200
Total fines and forfeitures	-	369,654	369,654
Investment income - interest earned	-	105	105
Miscellaneous revenue	-	25,339	25,339
Total revenues	<u>\$ -</u>	<u>\$ 2,992,497</u>	<u>\$ 2,992,497</u>

See independent auditor's report.

Village of Round Lake Park, Illinois
Detailed Schedule of Expenditures - Budget and Actual
General Fund
For the Year Ended April 30, 2013

	Original and Final Budget	Actual	Variance Positive (Negative)
General government:			
Administration:			
Salaries	\$ 54,900	\$ 34,304	\$ 20,596
Fringe benefits	12,750	15,221	(2,471)
Contractual services	638,115	82,558	555,557
Commodities	10,225	16,933	(6,708)
Utilities	52,920	54,222	(1,302)
Other expenditures	5,000	-	5,000
Debt service	-	4,900	(4,900)
Capital expenditures	5,250	-	5,250
Total administration	<u>779,160</u>	<u>208,138</u>	<u>571,022</u>
Legislative:			
Salaries	49,350	48,600	750
Contractual services	2,000	3,056	(1,056)
Total legislative	<u>51,350</u>	<u>51,656</u>	<u>(306)</u>
Building:			
Contractual services	30,525	27,354	3,171
Commodities	1,315	2,672	(1,357)
Utilities	525	-	525
Total building	<u>32,365</u>	<u>30,026</u>	<u>2,339</u>
Planning and zoning - contractual services	28,830	200	28,630
Total general government	<u>891,705</u>	<u>290,020</u>	<u>601,685</u>
Public safety:			
Police department:			
Salaries	1,216,030	1,117,514	98,516
Fringe benefits	660,000	320,574	339,426
Contractual services	356,135	269,425	86,710
Commodities	97,100	87,277	9,823
Utilities	5,200	11,328	(6,128)
Capital Outlay	60,000	18,089	41,911
Capital lease payment	14,000	-	14,000
Total police department	<u>2,408,465</u>	<u>1,824,207</u>	<u>584,258</u>
Police commission - contractual services	4,405	5,839	(1,434)
Total public safety	<u>2,412,870</u>	<u>1,830,046</u>	<u>582,824</u>
Public works:			
Salaries	197,470	132,708	64,762
Fringe benefits	50,415	35,849	14,566
Contractual services	29,290	14,361	14,929
Commodities	127,805	23,252	104,553
Utilities	32,760	1,316	31,444
Debt service	17,000	4,779	12,221
Park District contract	25,500	9,771	15,729
Garbage removal contract	10,000	674	9,326
Total public works	<u>490,240</u>	<u>222,710</u>	<u>267,530</u>
Total expenditures	<u>\$ 3,794,815</u>	<u>\$ 2,342,776</u>	<u>\$ 1,452,039</u>

See independent auditor's report.

**BUDGETARY COMPARISON SCHEDULES – OTHER MAJOR AND
NON-MAJOR GOVERNMENTAL FUNDS**

MAJOR FUNDS

Village of Round Lake Park, Illinois
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Downtown Redevelopment Fund
For the Year Ended April 30, 2013

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Property taxes	\$ -	\$ 159,089	\$ 159,089
Grants		-	-
Interest	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>-</u>	<u>159,089</u>	<u>159,089</u>
Expenditures:			
Downtown redevelopment -			
contractual services	17,750	239	17,511
capital outlay	1,475,000	409,654	1,065,346
Debt service:			
Principal	-	55,000	(55,000)
Interest	-	62,891	(62,891)
	<u>-</u>	<u>62,891</u>	<u>(62,891)</u>
Total expenditures	<u>1,492,750</u>	<u>527,784</u>	<u>964,966</u>
Net changes in fund balance	<u>\$ (1,492,750)</u>	<u>(368,695)</u>	<u>\$ 1,124,055</u>
Fund balance, beginning of the year		<u>1,473,332</u>	
Fund balance, end of the year		<u>\$ 1,104,637</u>	

See independent auditor's report.

NON-MAJOR FUNDS

Village of Round Lake Park, Illinois
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Audit Fund
For the Year Ended April 30, 2013

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues - locally levied taxes - property taxes	\$ -	\$ 15,445	\$ 15,445
Expenditures - general government - contractual services - audit fees	20,055	16,540	3,515
Net changes in fund balance	<u>\$ (20,055)</u>	(1,095)	<u>\$ 18,960</u>
Fund balance, beginning of the year		<u>(1,072)</u>	
Fund balance, end of the year		<u>\$ (2,167)</u>	

See independent auditor's report.

Village of Round Lake Park, Illinois
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Liability Insurance Fund
For the Year Ended April 30, 2013

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues - locally levied taxes - property taxes	\$ -	\$ 97,307	\$ 97,307
Expenditures - general government - contractual services - liability insurance	<u>125,000</u>	<u>109,197</u>	<u>15,803</u>
Net changes in fund balance	<u>\$ (125,000)</u>	<u>(11,890)</u>	<u>\$ 113,110</u>
Fund balance, beginning of the year		<u>28,424</u>	
Fund balance, end of the year		<u>\$ 16,534</u>	

See independent auditor's report.

Village of Round Lake Park, Illinois
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Motor Fuel Tax Fund
For the Year Ended April 30, 2013

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental - motor fuel tax allotments	\$ -	\$ 212,207	\$ 212,207
Investment income - interest earned	-	120	120
Total revenues	<u>-</u>	<u>212,327</u>	<u>212,327</u>
Expenditures - highways and streets			
Contractual services	15,450	19,869	(4,419)
Commodities	51,925	54,000	(2,075)
Capital Outlay	220,000	166,142	53,858
Total expenditures	<u>287,375</u>	<u>240,011</u>	<u>47,364</u>
Net changes in fund balance	<u>\$ (287,375)</u>	<u>(27,684)</u>	<u>\$ 259,691</u>
Fund balance, beginning of the year		<u>238,111</u>	
Fund balance, end of the year		<u>\$ 210,427</u>	

See independent auditor's report.

Village of Round Lake Park, Illinois
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Retirements Fund
For the Year Ended April 30, 2013

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Locally levied taxes - property taxes	\$ -	\$ 16,217	\$ 16,217
Total revenues	<u>-</u>	<u>16,217</u>	<u>16,217</u>
Expenditures - general government - fringe benefits:			
Social Security and Medicare	57,000	44,019	12,981
IMRF	<u>40,000</u>	<u>23,091</u>	<u>16,909</u>
Total expenditures	<u>97,000</u>	<u>67,110</u>	<u>29,890</u>
Net changes in fund balance	<u>\$ (97,000)</u>	<u>(50,893)</u>	<u>\$ 46,107</u>
Fund balance, beginning of the year		<u>228,491</u>	
Fund balance, end of the year		<u>\$ 177,598</u>	

See independent auditor's report.

Village of Round Lake Park, Illinois
Schedule of Revenues, Expenditures, and Changes in
Fund Balance (Deficit) - Budget and Actual
Road and Bridge Fund
For the Year Ended April 30, 2013

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues - locally levied taxes - property taxes	\$ -	\$ 5,929	\$ 5,929
Expenditures - highways and streets Commodities	2,500	-	2,500
Net changes in fund balance (deficit)	\$ (2,500)	5,929	\$ 5,929
Fund balance (deficit), beginning of the year		(22,433)	
Fund balance (deficit), end of the year		\$ (16,504)	

See independent auditor's report.

BUDGETARY COMPARISON SCHEDULE – PROPRIETARY FUND

Village of Round Lake Park, Illinois
Schedule of Revenues, Expenses, and Changes in
Net Position - Budget and Actual
Water / Sewer Fund
For the Year Ended April 30, 2013

	Original and Final Budget	Actual	Variance Positive (Negative)
Operating Revenues:			
Charges for services	\$ -	\$ 1,128,442	\$ 1,128,442
Fines and forfeitures	-	32,393	32,393
Total operating revenues	-	1,160,835	1,160,835
Operating Expenditures:			
Salaries	242,200	215,942	26,258
Employee benefits	84,410	66,920	17,490
Contractual services	471,210	348,134	123,076
Commodities	439,055	399,273	39,782
Insurance	53,000	42,466	10,534
Debt service	101,805	-	101,805
Utilities	27,000	62,091	(35,091)
Other expenditures	150,000	-	150,000
Depreciation	228,000	227,358	642
Total operating expenses	1,796,680	1,362,184	434,496
Net operating loss	(1,796,680)	(201,349)	1,595,331
Nonoperating revenue (expense):			
Grant revenue	-	92,111	92,111
Interest expense	-	(9,504)	(9,504)
Total nonoperating revenue (expense)	-	82,607	82,607
Changes in net position	<u>\$ (1,796,680)</u>	(118,742)	<u>\$ 1,677,938</u>
Net position, beginning of the year		<u>2,714,435</u>	
Net position, end of the year		<u>\$ 2,595,693</u>	

See independent auditor's report.