

**VILLAGE OF ROUND LAKE PARK**

**ROUND LAKE PARK, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED APRIL 30, 2015**

**Village of Round Lake Park, Illinois  
Annual Financial Report  
For the Year Ended April 30, 2015**

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**Table of Contents**

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<b>Independent Auditor's Report</b>	1-2
<b>Management's Discussion and Analysis</b>	3-13
<b>Basic Financial Statements</b>	
<b>Government-Wide Financial Statements</b>	
Statement of Net Position	14
Statement of Activities	15
<b>Fund Financial Statements</b>	
<b>Governmental Fund Financial Statements</b>	
Balance Sheet - Governmental Funds	16
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	17
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) - Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) of Governmental Funds to the Statement of Activities	19
<b>Proprietary Fund Financial Statements</b>	
Statement of Net Position - Proprietary Fund	20
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Fund	21
Statement of Cash Flows - Proprietary Funds	22
<b>Fiduciary Fund Financial Statements</b>	
Statement of Fiduciary Net Position	23
Statement of Changes in Fiduciary Net Position	24
<b>Notes to the Financial Statements</b>	25-59
<b>Required Supplementary Information</b>	
<b>Schedules of Funding Progress</b>	
Illinois Municipal Retirement Fund	60
Sheriff's Law Enforcement Personnel	61

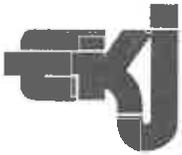
**Village of Round Lake Park, Illinois  
Annual Financial Report  
For the Year Ended April 30, 2015**

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**Table of Contents**

---

<b>Required Supplementary Information (continued)</b>	
<b>Schedules of Employer Contributions</b>	
Illinois Municipal Retirement Fund	62
Sheriff's Law Enforcement Personnel	63
Schedule of Employer Contributions - Last Ten Years	64
Schedule of Changes in the Employers Net Pension Liability	65
Schedule of Investment Returns	66
<b>Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund</b>	
General Fund	67
<b>Other Supplementary Information</b>	
<b>Combining and Individual Fund Statements and Schedules</b>	
<b>Non-Major Governmental Funds</b>	
Combining Balance Sheet - Nonmajor Governmental Funds	68
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances (Deficits) - Nonmajor Governmental Funds	69
<b>Budgetary Comparison Schedules - General Fund</b>	
Detailed Schedule of Revenues - Budget and Actual - General Fund	70
Detailed Schedule of Expenditures - Budget and Actual - General Fund	71
<b>Budgetary Comparison Schedules - Other Major and Non-Major Governmental Funds</b>	
<b>Major Funds</b>	
Downtown Redevelopment (Capital Projects) Fund	72
<b>Non-Major Funds</b>	
Audit Fund	73
Liability Insurance Fund	74
Motor Fuel Tax Fund	75
Retirements Fund	76
Road and Bridge Fund	77
<b>Budgetary Comparison Schedule - Proprietary Fund</b>	
Water / Sewer Fund	78



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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, 2015, 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, 2015, 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 78 and the Schedule of Funding Progress relative to the Illinois Municipal Retirement Fund and the Police Pension Fund on pages 60 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

November 30, 2015  
Waukegan, Illinois

VILLAGE OF ROUND LAKE PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED APRIL 30, 2015

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, 2015. 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 \$439,247 during the fiscal year ended April 30, 2015. Governmental activity net position increased by \$499,508 while business-type activity net position decreased by \$60,261.
- During the year, the Village had revenues that were \$499,508 greater than expenses for governmental programs. This compares to last year when governmental program revenues exceeded expenses by \$321,630.
- The Village's business-type activity revenues decreased by \$23,386 while business-type activity expenses increased by \$63,084.
- The total cost of all of the Village's programs increased by \$109,010; that is, by approximately 1%.
- The Village had a net decrease in total long-term debt of \$159,437 during the current fiscal year. Additionally, the Village issued \$83,953 of new debt and repaid \$148,445 of governmental activity debt and \$94,945 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, 2015

**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, 2015

- *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, 2015

**THE VILLAGE AS A WHOLE**

The Village's *combined* net position *increased* by \$439,247 during the current fiscal year. In contrast, last year's net position *increased* by \$347,839. 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			
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 3.9	3.4	\$ 0.2	0.1	\$ 4.1	3.5
Capital assets	3.2	3.2	2.6	2.9	5.8	6.1
Total assets	7.1	6.6	2.8	3.0	9.9	9.6
Long-term debt	1.4	1.5	-	0.1	1.4	1.6
Other liabilities	0.9	0.9	0.2	0.3	1.1	1.2
Total liabilities	2.3	2.4	0.2	0.4	2.5	2.8
Net position:						
Invested in capital assets,						
net of related debt	3.0	3.1	2.6	2.8	5.6	5.9
Restricted	1.7	1.5	0.0	0.0	1.7	1.5
Unrestricted	0.1	(0.3)	-	(0.2)	0.1	(0.5)
Total net position	\$ 4.8	4.3	\$ 2.6	2.6	\$ 7.4	6.9

VILLAGE OF ROUND LAKE PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED APRIL 30, 2015

Net position of the Village's governmental activities increased by 11.0% (\$4.8 million compared to \$4.3 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 \$.3 million deficit at April 30, 2014, to a \$.1 million positive at the end of this year.

The net position of our business-type activities decreased by .5% (\$2.56 million compared to \$2.62 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, 2015

	<u>Governmental</u>		<u>Business-Type</u>		<u>Totals</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b>Revenues:</b>						
Program revenues:						
Charges for services, fees, fines and forfeitures	\$ 0.6	0.5	\$ 1.1	1.2	\$ 1.7	1.7
Grants and contributions	0.1	0.2	-	-	0.1	0.2
General revenues:						
Property taxes	0.8	0.8	-	-	0.8	0.8
Other taxes and intergovernmental revenues	1.9	1.9	-	-	1.9	1.9
Other general revenues	-	-	-	-	-	-
Total revenues	<u>\$ 3.4</u>	<u>3.4</u>	<u>\$ 1.1</u>	<u>1.2</u>	<u>\$ 4.5</u>	<u>4.6</u>
<b>Program Expenses:</b>						
General government	\$ 0.6	0.6	-	-	\$ 0.6	0.6
Public safety	1.8	1.8	-	-	1.8	1.8
Public works	0.4	0.3	-	-	0.4	0.3
Water and Sewer	-	-	1.2	1.1	1.2	1.1
Interest and fees	0.1	0.1	-	-	0.1	0.1
Total expenses	<u>\$ 2.9</u>	<u>2.8</u>	<u>\$ 1.2</u>	<u>1.1</u>	<u>\$ 4.1</u>	<u>3.9</u>
<b>Changes in net position</b>	<u>\$ 0.5</u>	<u>0.6</u>	<u>\$ (0.1)</u>	<u>0.1</u>	<u>\$ 0.4</u>	<u>0.7</u>

VILLAGE OF ROUND LAKE PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED APRIL 30, 2015

The Village's total revenues increased by 4.6% (approximately \$200,000). The total cost of all programs and services increased by 3.0% (approximately \$109,000). Our analysis below separately considers the operations of governmental and business-type activities.)

**Governmental Activities**

Revenues for the Village's governmental activities increased by 7.0% (approximately \$224,000) while total expenses increased by .2% (approximately \$46,000).

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)**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
General government	\$ 0.6	0.6	\$ 0.3	0.3
Public safety	1.9	1.8	1.5	1.5
Public works	0.4	0.3	0.3	0.2
<b>Totals</b>	<b>\$ 2.9</b>	<b>2.7</b>	<b>\$ 2.1</b>	<b>2.0</b>

**Business-Type Activities**

Revenues of the Village's business-type activities (see Table 2) decrease during the current fiscal year by 2 percent while expenses increased 5.5 percent (\$1.2 million in 2015 compared to \$1.1 million for 2014).

VILLAGE OF ROUND LAKE PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED APRIL 30, 2015

**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 \$2.9 million which is higher than last year's total of \$2.5 million. In addition, changes in the following fund balances should be noted:

- The Village spent \$139,322 on the Downtown Redevelopment Project, as a result, the fund balance increased by 16,612. 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 \$71,796 for road maintenance projects during the current fiscal year. As a result, the fund balance restricted for such purposes increased by \$172,645.
- The Retirements and Liability Insurance funds were budgeted for in such a way as to reduce beginning fund balances. The decreases in these funds amounted to \$32,075, \$4,376 respectively. The Audit Fund decreased its deficit balance by \$3,318, resulting in a positive fund balance of \$3,0053 as of April 30, 2015.

**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 \$5.3 million below the final budget amounts.

VILLAGE OF ROUND LAKE PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED APRIL 30, 2015

**CAPITAL ASSET AND DEBT ADMINISTRATION**

At the end of 2015, the Village had \$5.9 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 decrease (including additions and deductions) of \$247,417 or 4.0% more than last year.

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

Type of Asset	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Land	\$ 1.0	1.0	\$ -	-	\$ 1.0	1.0
Infrastructure	-	-	2.1	2.2	2.1	2.2
Buildings	1.0	1.0	0.4	0.5	1.4	1.5
Machinery and Equipment	0.3	0.3	0.1	0.1	0.4	0.4
Land Improvements	1.0	1.0	0.1	0.1	1.1	1.1
<b>Totals</b>	<b>\$ 3.3</b>	<b>3.3</b>	<b>\$ 2.7</b>	<b>2.9</b>	<b>\$ 6.0</b>	<b>6.2</b>

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

Capital Leases for Vehicles	<u>0.1</u>
<b>Total</b>	<b>\$ <u>0.1</u></b>

VILLAGE OF ROUND LAKE PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED APRIL 30, 2015

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 \$1.4 million in bonds, notes, and loans outstanding versus \$1.6 million last year—a change of 14.3%—as shown in Table 5.

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

Type of Debt	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
General Obligation Bonds (backed by the Village)	\$ 1.2	1.3	\$ -	-	\$ 1.2	1.3
Leases and loans (backed by certain Village assets)	0.2	0.2	-	0.1	0.2	0.3
Totals	\$ <u>1.4</u>	<u>1.5</u>	\$ <u>-</u>	<u>0.1</u>	\$ <u>1.4</u>	<u>1.6</u>

The Village entered into one new capital lease agreement 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, 2015

**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**

**Village of Round Lake Park, Illinois**  
**Statement of Net Position**  
**April 30, 2015**

	Governmental Activities	Business-Type Activities	Total
<b><u>ASSETS</u></b>			
Current assets:			
Cash	\$ 2,505,617	\$ -	\$ 2,505,617
Receivables:			
Property taxes	749,129	-	749,129
Other taxes	468,070	-	468,070
Customer Accounts	-	185,205	185,205
Other	26,639	-	26,639
Restricted cash	50,376	-	50,376
Prepaid Expenses	14,142	-	14,142
Internal Balances	73,676	(73,676)	-
Capital assets not being depreciated	1,017,819	-	1,017,819
Capital assets being depreciated, net of accumulated depreciation	2,231,155	2,644,348	4,875,503
<b>Total assets</b>	<b>\$ 7,136,623</b>	<b>\$ 2,755,877</b>	<b>\$ 9,892,500</b>
<b><u>OUTFLOWS OF RESOURCES</u></b>			
Deferred debt issuance costs, net of accumulated amortization	\$ 27,038	\$ -	\$ 27,038
<b><u>LIABILITIES &amp; INFLOWS OF RESOURCES</u></b>			
Liabilities:			
Accounts payable	\$ 28,807	\$ 78,450	\$ 107,257
Accrued payroll	40,035	5,073	45,108
Accrued interest payable	30,235	-	30,235
Water deposits	-	110,713	110,713
Other	119,129	-	119,129
Long-term debt:			
Portion due or payable within one year	148,589	-	148,589
Portion due or payable after one year	1,256,937	-	1,256,937
<b>Total liabilities</b>	<b>\$ 1,623,732</b>	<b>\$ 194,236</b>	<b>\$ 1,817,968</b>
Deferred inflows of Resources:			
Deferred property taxes	\$ 749,129	\$ -	\$ 749,129
<b>Total Deferred inflows of Resources</b>	<b>\$ 749,129</b>	<b>\$ -</b>	<b>\$ 749,129</b>
<b><u>NET POSITION</u></b>			
Net Investment in capital assets	\$ 3,033,955	\$ 2,644,348	\$ 5,678,303
Restricted:			
Bond purposes (capital projects)	1,093,092	-	1,093,092
Retirement	97,872	-	97,872
Highways and streets	377,562	-	377,562
Public Safety	50,376	-	50,376
Debt Service	33,476	-	33,476
Unrestricted (deficit)	104,467	(82,707)	21,760
<b>Total net position</b>	<b>\$ 4,790,800</b>	<b>\$ 2,561,641</b>	<b>\$ 7,352,441</b>

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, 2015

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 556,845	\$ 237,108	\$ -	\$ -	\$ (319,737)	\$ -	\$ (319,737)
Public safety	1,856,417	315,920	38,348		(1,502,149)		(1,502,149)
Public works	395,239	-	14,582		(380,657)		(380,657)
Interest on long-term debt	85,745	-	-		(85,745)		(85,745)
<b>Total governmental activities</b>	<b>2,894,246</b>	<b>553,028</b>	<b>52,930</b>	<b>-</b>	<b>(2,288,288)</b>	<b>-</b>	<b>(2,288,288)</b>
Business-Type activities:							
Water / Sewer	1,187,755	1,127,494	-		-	(60,261)	(60,261)
<b>Total - all activities</b>	<b>\$ 4,082,001</b>	<b>\$ 1,680,522</b>	<b>\$ 52,930</b>	<b>\$ -</b>	<b>(2,288,288)</b>	<b>(60,261)</b>	<b>(2,348,549)</b>
General revenues:							
Taxes:							
Property					773,256	-	773,256
Sales					296,559	-	296,559
Utility					369,545	-	369,545
Income					766,536	-	766,536
Use					151,008	-	151,008
Landfill					60,000	-	60,000
Replacement					4,595	-	4,595
Pull Tabs & Video Gaming					43,118	-	43,118
Motor Fuel					244,733	-	244,733
Interest					455	-	455
Miscellaneous					77,991	-	77,991
<b>Total general revenues</b>					<b>2,787,796</b>	<b>-</b>	<b>2,787,796</b>
Change in net position					499,508	(60,261)	439,247
<b>Net position, beginning of year</b>					<b>4,291,292</b>	<b>2,621,902</b>	<b>6,913,194</b>
<b>Net position, end of the year</b>					<b>\$ 4,790,800</b>	<b>\$ 2,561,641</b>	<b>\$ 7,352,441</b>

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

**Village of Round Lake Park, Illinois**  
**Balance Sheet - Governmental Funds**  
**April 30, 2015**

	General Fund	Capital Projects	Nonmajor Funds	Total Governmental Funds
<b><u>ASSETS</u></b>				
Cash	\$ 1,234,479	\$ 910,171	\$ 360,967	\$ 2,505,617
Receivables:				
Property taxes, net	455,021	153,929	140,179	749,129
Other taxes	450,687		17,383	468,070
Other	26,639			26,639
Restricted cash	50,376			50,376
Prepaid Expense	14,142			14,142
Due from other funds	-	182,921	-	182,921
<b>TOTAL ASSETS</b>	<b>\$ 2,231,344</b>	<b>\$ 1,247,021</b>	<b>\$ 659,154</b>	<b>\$ 4,137,519</b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</u></b>				
Liabilities:				
Accounts payable	\$ 28,807			\$ 28,807
Accrued payroll	40,035			40,035
Due to other funds	38,546		211,323	249,869
Other current liabilities	119,129			119,129
<b>TOTAL LIABILITIES</b>	<b>\$ 226,517</b>	<b>\$ -</b>	<b>\$ 211,323</b>	<b>\$ 437,840</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
Deferred Property Taxes	\$ 455,021	\$ 153,929	\$ 140,179	\$ 749,129
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 455,021</b>	<b>\$ 153,929</b>	<b>\$ 140,179</b>	<b>\$ 749,129</b>
Fund balances:				
Restricted for police activities	\$ 50,376			\$ 50,376
Restricted for capital projects		1,093,092		1,093,092
Unassigned, reported in:				
General Fund	1,499,430			1,499,430
Debt Service Fund			33,476	33,476
Special Revenue Funds			274,176	274,176
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<b>\$ 1,549,806</b>	<b>\$ 1,093,092</b>	<b>\$ 307,652</b>	<b>\$ 2,950,550</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>	<b>\$ 2,231,344</b>	<b>\$ 1,247,021</b>	<b>\$ 659,154</b>	<b>\$ 4,137,519</b>

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, 2015**

<b>Total fund balances - governmental funds</b>	<b>\$ 2,950,550</b>
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.</p>	
Cost of the assets	\$ 5,075,224
Accumulated depreciation	(1,826,250)
Total capital assets, net of depreciation	<u>3,248,974</u>
<p>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.</p>	
	\$ 27,037
<p>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, 2015, these liabilities consisted of the following:</p>	
Bonds payable	(1,255,000)
Capital Leases payable	(150,526)
Accrued interest on long-term debt	(30,235)
	<u>(1,435,761)</u>
<b>Total net position - governmental activities</b>	<b><u>\$ 4,790,800</u></b>

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, 2015

	General Fund	Capital Projects	Nonmajor Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 477,500	\$ 155,934	\$ 139,822	\$ 773,256
Other taxes	709,222	-	244,733	953,955
Intergovernmental	982,139	-	-	982,139
Licenses, permits, and fees	233,447	-	-	233,447
Charges for services	3,661	-	-	3,661
Fines and forfeitures	315,920	-	-	315,920
Grants and donations	52,930	-	-	52,930
Interest	300	-	-	455
Miscellaneous	77,991	-	155	77,991
<b>Total Revenues</b>	<b>\$ 2,853,110</b>	<b>\$ 155,934</b>	<b>\$ 384,710</b>	<b>\$ 3,393,754</b>
Expenditures:				
Current				
General government	358,264	3,347	168,519	530,130
Public safety	1,816,703	-	-	1,816,703
Public works	263,279	-	71,796	335,075
Capital outlay	24,790	-	-	24,790
Debt service:				
Principal retirement	88,446	60,000	-	148,446
Interest and fiscal charges	9,770	75,975	-	85,745
<b>Total Expenditures</b>	<b>\$ 2,561,252</b>	<b>\$ 139,322</b>	<b>\$ 240,315</b>	<b>\$ 2,940,889</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>291,858</b>	<b>\$ 16,612</b>	<b>\$ 144,395</b>	<b>\$ 452,865</b>
Fund balance - beginning of the year	1,257,948	1,076,480	163,257	2,497,685
Fund balances - end of the year	1,549,806	1,093,092	307,652	2,950,550

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, 2015**

<b>Total net change in fund balances - governmental funds</b>	<b>\$ 452,865</b>
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.	(125,300)
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.	88,446
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	(1,293)
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.	24,790
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	60,000
<b>Change in net position of governmental activities</b>	<b><u>\$ 499,508</u></b>

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

**Village of Round Lake Park, Illinois**  
**Statement of Net Position - Proprietary Fund**  
**April 30, 2015**

	<u>Water / Sewer</u>
<b><u>ASSETS</u></b>	
Current assets:	
Cash	\$ -
Receivables	185,205
<b>Total current assets</b>	<b>185,205</b>
Noncurrent assets - capital assets being depreciated, net	2,644,348
<b>Total assets</b>	<b>\$ 2,829,553</b>
<b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable	\$ 78,450
Accrued salaries	5,073
Water deposits	110,713
Due to other funds	73,676
<b>Total current liabilities</b>	<b>267,912</b>
Long-term debt:	
Portion due or payable within one year	-
Portion due or payable after one year	-
<b>Total noncurrent liabilities</b>	<b>-</b>
<b>Total liabilities</b>	<b>267,912</b>
<b><u>NET POSITION</u></b>	
Net Investment in capital assets,	2,644,348
Unrestricted	(82,707)
<b>Total net position</b>	<b>\$ 2,561,641</b>

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, 2015**

	Total
Operating Revenues:	
Charges for services	\$ 1,103,633
Fines and forfeitures	23,861
<b>Total operating revenues</b>	<b>1,127,494</b>
Operating Expenses:	
Salaries	146,129
Fringe benefits	64,916
Contractual services	396,699
Commodities	309,610
Utilities	18,988
Insurance	20,524
Depreciation	230,860
<b>Total operating expenses</b>	<b>1,187,726</b>
<b>Net operating income</b>	<b>(60,232)</b>
Nonoperating revenue (expenses)	
Grant revenue	-
Interest expense	(29)
<b>Total nonoperating revenue (expenses)</b>	<b>(29)</b>
<b>Changes in net position</b>	<b>(60,261)</b>
Net position, beginning of the year	2,621,902
Net position, end of the year	<b>\$ 2,561,641</b>

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, 2015**

	<u>Water / Sewer</u>
Cash flows from operating activities:	
Receipts from customers	\$ 1,143,133
Payments to suppliers	(911,466)
Payments to employees	(145,354)
<b>Net cash from operating activities</b>	<b>86,313</b>
Cash flows from capital and related financing activities:	
Purchase of capital assets	-
Principal paid on capital lease	(10,945)
Principal paid on water meter loan	(84,000)
<b>Net cash from capital and related financing activities</b>	<b>(94,945)</b>
Cash flows from noncapital financing activities:	
Increases in due to other funds	8,632
Proceeds from sewer grant	-
<b>Net cash from noncapital and related financing activities</b>	<b>8,632</b>
<b>Net increase in cash</b>	<b>-</b>
Cash, beginning of the year	-
Cash, end of the year	\$ -
Reconciliation of operating loss to net cash provided by operating activities:	
Operating Income	\$ (60,261)
Adjustment to reconcile operating loss to net cash provided by operating activities:	
Depreciation	230,860
Net changes in:	
Receivables	1,817
Accounts payable	(99,222)
Accrued salaries	775
Accrued interest	(1,478)
Deposits payable	13,822
<b>Net cash from operating activities</b>	<b>\$ 86,313</b>

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

**Village of Round Lake Park, Illinois**  
**Statement of Fiduciary Net Position**  
**Police Pension Fund**  
**April 30, 2015**

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<u>ASSETS</u>	Pension Trust Fund
Cash and Cash Equivalents:	\$ 4,295
Investments, at Fair Value	
State and Local Obligations	204,420
U.S. Government and Agency Obligations	1,125,067
Equity Mutual Funds	155,115
Money Market Mutual Funds	96,232
Accrued Interest Receivable	10,932
Prepays	<u>5,904</u>
Total Assets	\$ 1,601,965
 <u>LIABILITIES</u>  	
Accounts Payable	<u>936</u>
 <u>NET POSITION</u>  	
Fiduciary Net Position for Pensions	<u><u>\$ 1,601,029</u></u>

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

**Village of Round Lake Park, Illinois**  
**Statement of Changes in Fiduciary Net Position**  
**Police Pension Fund**  
**For the Year Ended April 30, 2015**

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<u>ADDITIONS</u>	Pension Trust Fund
Contributions - Employer	\$ 212,747
Contributions - Plan Members	89,609
Total Contributions	302,356
Investment Income:	
Interest and Dividends Earned	46,856
Net Change in Fair Value	25,055
Total Investment Income	71,911
Less Investment Expenses	(6,237)
Net Investment Income	65,674
Total Additions	368,030
<u>DEDUCTIONS</u>	
Administration	21,572
Benefits and Refunds:	
Benefits	203,993
Total Deductions	225,565
Change in Fiduciary Net Position	142,465
Fiduciary Net Position Restricted for Pensions	
Beginning of the Year	1,458,564
End of the Year	\$ 1,601,029

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

VILLAGE OF ROUND LAKE PARK, ILLINOIS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED APRIL 30, 2015

**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, 2015

**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, 2015

**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, 2015

**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 position, 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.

**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.

VILLAGE OF ROUND LAKE PARK, ILLINOIS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED APRIL 30, 2015

**1. SUMMARY OF ACCOUNTING POLICIES (continued)**

**D. BASIS OF ACCOUNTING (continued)**

**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).

**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).

VILLAGE OF ROUND LAKE PARK, ILLINOIS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED APRIL 30, 2015

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. FINANCIAL STATEMENT AMOUNTS (continued)**

**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.

**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.

VILLAGE OF ROUND LAKE PARK, ILLINOIS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED APRIL 30, 2015

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. FINANCIAL STATEMENTS AMOUNTS (continued)**

**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 2014 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, 2015, 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 2014 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.

**10. Government-Wide and Proprietary Fund Net Position**

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

- b. 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.
- c. 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.
- d. Unrestricted net position – This category consists of all other net position.

VILLAGE OF ROUND LAKE PARK, ILLINOIS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED APRIL 30, 2015

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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.

**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.

VILLAGE OF ROUND LAKE PARK, ILLINOIS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED APRIL 30, 2015

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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.

**H. NEW ACCOUNTING STANDARDS**

During Fiscal Year 2015, the Township considered the following Governmental Accounting Standards Board Statement (GASB) Statements.

GASB No. 67, Financial Reporting for Pension Plans

GASB No. 68, Accounting and Financial Reporting for Pensions

GASB No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date-An Amendment of GASB Statement No. 68.

VILLAGE OF ROUND LAKE PARK, ILLINOIS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED APRIL 30, 2015

**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);
- 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;

VILLAGE OF ROUND LAKE PARK, ILLINOIS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED APRIL 30, 2015

**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)

- 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;
- 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.

VILLAGE OF ROUND LAKE PARK, ILLINOIS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED APRIL 30, 2015

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

**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;
- 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;

VILLAGE OF ROUND LAKE PARK, ILLINOIS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED APRIL 30, 2015

**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)

- 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;
- 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, 2015

**2. CASH, CASH EQUIVALENTS, AND INVESTMENTS**

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

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

<u>Account / Investment Type</u>	<u>Carrying Values</u>	<u>Bank / Investment Balances</u>
Deposits with Financial Institutions	\$ 1,927,135	\$ 2,012,986
Money Market Mutual Funds	96,232	96,232
State and Local Bonds	204,420	204,420
U.S. Government and Agency Obligations	1,125,067	1,125,067
Equity Mutual Funds	155,115	155,115
Illinois Funds	632,953	632,505
Petty Cash	200	-
	<u>\$ 4,141,122</u>	<u>\$ 4,226,325</u>

Reconciliation to Financial Statements:

Amounts per Statement of Net Assets:

Unrestricted Cash	\$ 2,505,617
Retricted Cash	<u>50,376</u>
Total amount per Statement of Net Assets	<u>2,555,993</u>

Amount Per Statement of Plan Net Assets -

Fiduciary Funds - Police Pension Trust Fund	<u>1,585,129</u>
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Total Deposits and Investments	<u>\$ 4,141,122</u>
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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.

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.

VILLAGE OF ROUND LAKE PARK, ILLINOIS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED APRIL 30, 2015

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

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

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	\$ 204,420	\$ -	\$ 47,596	\$ 128,823	\$ 28,001
U.S. Treasury Notes	233,246	10,233	178,220	44,793	-
Federal Farm Credit Bank	342,619	-	119,275	120,614	102,730
Federal Home Loan Mortgage Corporation	321,844	-	100,377	221,467	-
Federal Home Loan Bank	120,558	-	89,723	30,835	-
Federal National Mortgage Association	106,800	-	106,800	-	-
Money Market Mutual Funds	96,232	96,232	-	-	-
<b>Total</b>	<b>\$ 1,425,719</b>	<b>\$ 106,465</b>	<b>\$ 641,991</b>	<b>\$ 546,532</b>	<b>\$ 130,731</b>

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, 2015

**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.

<u>Investment Type</u>	<u>Par Value</u>	<u>Rate</u>	<u>Date</u>
Eastern Illinois University Bond	\$ 5,000	5.800%	April 1, 2022
City of Decatur, Illinois Bond	30,000	5.500%	December 15, 2024
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, 2015

**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, 2015, 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, 2015, the Village Police Pension Fund held over 5%, or \$80,051, 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, 2015

**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>At Fair Value</u>
Vanguard 500 Index Admiral Fund	\$ 32,498
T. Rowe Price Growth Stock Fund	34,880
Pioneer Equity Income Fund	17,639
LSV Value Equity Fund	17,663
Homestead Small Blend	10,966
Baron Small Cap Institutional Fund	11,063
Cohen and Steers Institutional Realty Shares Fund	3,972
American Beacon Foreign Large Value Fund	2,552
Fidelity Advisor Materials Fund	2,113
RS Global Natural Resources Fund	2,001
Hennessy Focus Institutional Fund	4,762
Oppenheimer International Growth Fund	5,155
Bridgeway Ultra-Small Company Market Fund	4,758
Oppenheimer Developing Markets Fund	2,536
First Eagle Overseas Fund	2,557
<b>Total</b>	<b><u>\$ 155,115</u></b>

**3. INTERFUND ACTIVITIES**

**A. INTERFUND RECEIVABLES / PAYABLES**

The Village's interfund (due to / due from) balances consisted of the following as of April 30, 2015:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Governmental Funds	Water / Sewer Fund	<u>\$ 73,676</u>	General Operations

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

VILLAGE OF ROUND LAKE PARK, ILLINOIS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED APRIL 30, 2015

**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	\$ 455,021
Property taxes, net - Downtown Redevelopment Fund	153,929
Property taxes, net - Retirements Fund	17,085
Property taxes, net - Road and Bridge Fund	4,293
Property taxes, net - Liability Insurance Fund	102,801
Property taxes, net - Audit Fund	16,000
Total property taxes, net	<u>749,129</u>
Motor fuel tax	17,383
State income tax	310,223
Utility tax	66,070
Use tax	27,412
Sales tax	46,058
Personal property replacement tax	924
Total other taxes	<u>468,070</u>
Refuse charges	1,883
Total other receivables	<u>1,883</u>
Water / sewer charges	<u>185,205</u>
Total receivables per Statement of Net Position	<u>\$ 1,404,287</u>

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.

VILLAGE OF ROUND LAKE PARK, ILLINOIS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED APRIL 30, 2015

**5. DISAGGREGATION OF DEFERRED INFLOWS OF RESOURCES**

The Village's deferred inflows of resources as of year-end were comprised of the following:

<u>Type of Revenue Deferred</u>	<u>Amount</u>
Real estate taxes - General Fund	\$ 455,021
Real estate taxes - Retirements Fund	17,085
Real estate taxes - Liability Insurance Fund	102,801
Real estate taxes - Audit Fund	16,000
Real estate taxes - Downtown Redevelopment Fund	153,929
Real estate taxes - Road and Bridge Fund	<u>4,293</u>
Total real estate taxes	<u>749,129</u>
 Total deferred revenues per Statement of Net Position	 <u>\$ 749,129</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.

**6. RESTRICTED ASSETS**

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

<u>Fund</u>	<u>Type of Restriction</u>	<u>Amount</u>
Downtown Redevelopment	Bond purposes (capital projects)	\$ 1,093,092
Retirements	Payment of employer IMRF and Social Security contributions	97,872
Motor Fuel Tax	Highway and street maintenance	377,562
General Fund	Public safety	50,376
Debt Service	Debt service	<u>33,476</u>
Total restricted net assets per Statement of Net Position		<u>\$ 1,652,378</u>

VILLAGE OF ROUND LAKE PARK, ILLINOIS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED APRIL 30, 2015

**7. CAPITAL ASSETS – GOVERNMENTAL ACTIVITIES**

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

<b>Governmental Activities</b>	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	1,248,738	108,744	-	1,357,482
Land Improvements	1,241,830	-	-	1,241,830
Total Depreciable Assets	3,948,661	108,744	-	4,057,405
<b>Total Capital Assets</b>	<b>4,966,480</b>	<b>108,744</b>	<b>-</b>	<b>5,075,224</b>
Less: Accumulated Depreciation for:				
Buildings	(495,409)	(26,975)	-	(522,384)
Machinery and Equipment	(990,651)	(50,383)	-	(1,041,034)
Land Improvements	(214,890)	(47,942)	-	(262,832)
Total Accumulated Depreciation	(1,700,950)	(125,300)	-	(1,826,250)
Depreciable Assets, Net	2,247,711	(16,556)	-	2,231,155
<b>Total Governmental Activities Capital Assets, Net of Accumulated Depreciation</b>	<b>\$ 3,265,530</b>	<b>\$ (16,556)</b>	<b>\$ -</b>	<b>\$ 3,248,974</b>

Governmental activities depreciation expense was charged to the following functions:

General Government	\$ 55,894
Public Safety	39,714
Public Works	29,692
<b>Total Governmental Activities Depreciation Expense</b>	<b>\$ 125,300</b>

VILLAGE OF ROUND LAKE PARK, ILLINOIS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED APRIL 30, 2015

**8. CAPITAL ASSETS – BUSINESS-TYPE ACTIVITIES**

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

<b>Business-Type Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
<u>Depreciable Assets:</u>				
Infrastructure	\$ 5,396,863	\$ -	\$ -	\$ 5,396,863
Buildings	915,590	-	-	915,590
Machinery and Equipment	315,112	-	-	315,112
Land Improvements	129,180	-	-	129,180
Total Depreciable Assets	<u>6,756,745</u>	-	-	<u>6,756,745</u>
Less: Accumulated Depreciation for:				
Infrastructure	(3,186,867)	(188,401)	-	(3,375,268)
Buildings	(390,003)	(18,312)	-	(408,315)
Machinery and Equipment	(227,724)	(19,428)	-	(247,152)
Land Improvements	(76,943)	(4,719)	-	(81,662)
Total Accumulated Depreciation	<u>(3,881,537)</u>	<u>(230,860)</u>	-	<u>(4,112,397)</u>
Total Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 2,875,208</u>	<u>\$(230,860)</u>	<u>\$ -</u>	<u>\$ 2,644,348</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, 2015

**9. LONG-TERM DEBT – GOVERNMENTAL FUNDS**

A summary of the changes in governmental activity long-term debt for the year ended April 30, 2015 is presented in the following table.

Issue	Balance May 1, 2014	Additions	Reductions	Balance April 30, 2015	Due Within One Year
General Obligation (Alternate Revenue Source) Refunding Bonds, Series 2009 (Build America Bonds), dated January 1, 2010. Principal in annual instalments of \$55,000 to \$120,000 through January 1, 2029 with interest payable in semiannual instammments payable in semiannual installments at 5.0% to 7.4%.	\$ 1,315,000	-	\$ 60,000	\$ 1,255,000	\$ 60,000
Capital lease for Public Works vehicle in the amount \$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%.	47,212	-	11,891	35,321	12,606
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%	26,519	-	7,472	19,047	7,778
Capital Lease for two Chevy Tahoes in the amount of \$74,445, dated November 6, 2013 with principal and interest due in annual installments of \$26,274 beginning November 6,2013 and ending on November 6,2015	48,171	-	23,384	24,787	24,787
Capital Lease for two Chevy Impalas in the amount of \$66,350, dated June 7, 2012 with principal and interest due in annual installments of \$18,088.54 beginning June 7, 2012 and ending June 7, 2015.	33,116	-	16,068	17,048	17,048
Capital Lease for two Chevy Tahoes in the amount of \$83,953, dated May 18, 2015 with principal and interest due in annual installments of \$29,630, beginning May 18, 2015 and ending May 18, 2017.	-	83,953	29,630	54,323	26,370
<b>Totals</b>	<b>\$ 1,470,018</b>	<b>\$ 83,953</b>	<b>\$ 148,445</b>	<b>\$ 1,405,526</b>	<b>\$ 148,589</b>

VILLAGE OF ROUND LAKE PARK, ILLINOIS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED APRIL 30, 2015

**9. LONG-TERM DEBT – GOVERNMENTAL FUNDS (continued)**

A summary of the changes in business-type activity long-term debt for the year ended April 30, 2015 is presented in the following table.

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

Fiscal Year	Principal	Interest	Total
2016	\$ 153,589	\$ 95,545	\$ 249,134
2017	114,412	86,190	200,602
2018	82,525	79,841	162,366
2019	75,000	75,055	150,055
2020	80,000	70,180	150,180
2021-2025	450,000	265,010	715,010
2026-2029	450,000	84,890	534,890
<b>Totals</b>	<b>\$ 1,405,526</b>	<b>\$ 756,710</b>	<b>\$ 2,162,236</b>

VILLAGE OF ROUND LAKE PARK, ILLINOIS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED APRIL 30, 2015

**10. LONG-TERM DEBT – PROPRIETARY FUNDS**

A summary of the changes in business-type activity long-term debt for the year ended April 30, 2015 is presented in the following table.

Issue	Balance May 1, 2014	Additions	Reductions	Balance April 30, 2015	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 \$44,033 at April 30, 2014.	\$ 10,945	-	\$ 10,945	\$ -	\$ -
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.	84,000	-	84,000	-	-
Totals	\$ 94,945	\$ -	\$ 94,945	\$ -	\$ -

**11. 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.

VILLAGE OF ROUND LAKE PARK, ILLINOIS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED APRIL 30, 2015

**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, 2015.

**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](http://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 2014 was 6.32 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, 2015

**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 2014 was equal to its required contribution for that period, \$21,715.

<b>Calendar Year Ending</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
12/31/2014	\$ 21,715	100%	\$ -
12/31/2013	29,515	100%	-
12/31/2012	34,254	100%	-

The required contribution for 2014 was determined as part of the December 31, 2012, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2012, 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, 2012, is being amortized as a level percentage of projected payroll on an open 29 year basis.

**4. Funded Status and Funding Progress**

As of December 31, 2014, the most recent actuarial valuation date, the Regular Plan was 105.36 percent funded. The actuarial accrued liability for benefits was \$1,212,767 and the actuarial value of assets was \$1,277,761, resulting in an overfunded actuarial accrued liability (OAAL) of \$64,994. The covered payroll for calendar year 2014 (annual payroll of active employees covered by the plan) was \$343,598. 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, 2015

**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](http://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 2014 was 13.75 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, 2015

**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 2014 was \$3,979.

Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2014	\$ 3,979	100%	\$ -
12/31/2013	3,013	100%	-
12/31/2012	2,666	100%	-

The required contribution for 2014 was determined as part of the December 31, 2012, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2012, 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, 2012, is being amortized as a level percentage of projected payroll on an open 29 year basis.

**4. Funded Status and Funding Progress**

As of December 31, 2014, the most recent actuarial valuation date, the Sheriff's Law Enforcement Personnel Plan was 0.0 percent funded. The actuarial accrued liability for benefits was \$0 and the actuarial value of assets was \$(357,496), resulting in an unfunded actuarial accrued liability (UAAL) of \$357,496. The covered payroll for calendar year 2014 (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.

VILLAGE OF ROUND LAKE PARK, ILLINOIS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED APRIL 30, 2015

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

**A. 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.

At April 30, 2015, 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	5
Not Yet Receiving Benefits	-
Active Plan Members	<u>12</u>
Total	<u><u>17</u></u>

VILLAGE OF ROUND LAKE PARK, ILLINOIS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED APRIL 30, 2015

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

**C. POLICE PENSION PLAN (continued)**

**1. 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  $\frac{1}{2}$  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.

**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  $\frac{1}{2}$  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.

VILLAGE OF ROUND LAKE PARK, ILLINOIS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED APRIL 30, 2015

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

**C. POLICE PENSION PLAN (continued)**

**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 payroll increase of 4.0%, compounded annually.

**4. Net Pension Liability**

The components of the net pension liability of the Village as of April 30, 2015 were as follows:

Total Pension Liability	\$ 8,922,463
Plan Fiduciary Net Position	<u>1,601,029</u>
Employers' Net Pension Liability	<u>\$ 7,321,434</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	17.94%

See the Schedule of Changes in the Employer's Net Position Liability and Related Ratios in the required supplementary information for additional information related to the funded status of the Fund.

VILLAGE OF ROUND LAKE PARK, ILLINOIS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED APRIL 30, 2015

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

**C. POLICE PENSION PLAN (continued)**

**5. Actuarial Assumptions**

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2015 using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal; Level % of Pay
Asset Valuation Method	Market Value
Actuarial Assumptions	
Interest Rate	5.50%
Discount Rate	3.84%
Salary Increases	2.50%-13.35%
Cost of Living Arrangements	3.00%
Inflation	3.00%

Mortality rates are based on rates developed in the Lauterbach & Amen, LLP 2012 Mortality Table for Illinois Police Officers.

**6. Discount Rate**

The discount rate used to measure the total pension liability was 3.84%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate on return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

VILLAGE OF ROUND LAKE PARK, ILLINOIS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED APRIL 30, 2015

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

**D. POLICE PENSION PLAN (continued)**

**5. Discount Rate Sensitivity**

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 3.84% as well as what the Village's net position liability would be if it were calculated using a discount rate that is one percentage point lower (2.84%) or one percentage point higher (4.84%) than the current rate:

	1% Decrease (2.84%)	Current Discount Rate (3.84%)	1% Increase (4.84%)
Net Pension Liability	\$ 8,809,057	\$ 7,321,434	\$ 6,125,938

**14. DEFICIT BALANCES**

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

As of April 30, 2015, the following individual funds held deficit balances:

Fund	Amount	Reason for Deficit
Road and Bridge	\$ (7,013)	Excess of expenditures over revenues
Liability Fund	(12,751)	Excess of expenditures over revenues
Capital Projects	(191,559)	Excess of expenditures over revenues

Fund deficits are expected to be funded with future contributions.

VILLAGE OF ROUND LAKE PARK, ILLINOIS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED APRIL 30, 2015

**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, 2015 is \$486,841. The last levy for the Pension Fund was \$207,967, 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 2014 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.

**16. SUBSEQUENT EVENTS**

The Village's administration has evaluated subsequent events through November 30, 2015, 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.

**Village of Round Lake Park, Illinois**  
**Illinois Municipal Retirement Fund (IMRF)**  
**Required Supplementary Information**  
**Schedule of Funding Progress**  
**April 30, 2015**

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
12/31/2014	\$ 1,277,761	\$ 1,212,767	\$ (64,994)	105.36 %	\$ 343,598	0.00 %
12/31/2013	1,154,339	1,107,492	(46,847)	104.23	401,565	0.00
12/31/2012	1,860,101	1,666,791	(193,310)	111.60	428,173	0.00

On a market value basis, the actuarial value of assets as of December 31, 2014 is \$1,516,296. On a market basis, the funded ratio would be 125.03%

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, 2015**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2014	\$ (357,496)	\$ -	\$ 357,496	0.00%	\$ -	- %
12/31/2013	(341,484)	-	341,484	-	-	- %
12/31/2012	543,643	581,185	37,542	93.54	-	- %

On a market value basis, the actuarial value of assets as of December 31, 2014 is \$(302,692). On a market basis, the funded ratio would be 0.00%.

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**  
**Illinois Municipal Retirement Fund (IMRF)**  
**Required Supplementary Information -**  
**Employer Contributions**  
**April 30, 2015**

Fiscal Year Ended April 30,	Employer Contributions	Annual Required Contribution	Percent Contributed	Net Pension Obligation
2014	\$ 21,715	\$ 21,715	100.00 %	\$ -
2013	29,515	29,515	100.00	-
2012	34,254	34,254	100.00	-

See independent auditor's report.

**Village of Round Lake Park, Illinois**  
**Sheriff's Law Enforcement Personnel (SLEP)**  
**Required Supplementary Information -**  
**Employer Contributions**  
**April 30, 2015**

Fiscal Year Ended April 30,	Employer Contributions	Annual Required Contribution	Percent Contributed	Net Pension Obligation
2014	\$ 3,979	\$ 3,979	0.00 %	\$ -
2013	3,013	3,013	0.00	-
2012	2,666	2,666	0.00	-

See independent auditor's report.

**Village of Round Lake Park, Illinois**  
**Required Supplementary Information -**  
**Schedule of Employer Contribution - Last Ten Fiscal Years**  
**April 30, 2015**

Fiscal Year	Actuarially Determined Contribution	Employer Contributions in Relation to the Actuarial Determined Contribution	Contribution Excess/ (Deficiency)	Covered - Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2015	\$ 424,482	\$ 212,747	\$ (211,735)	\$ 870,803	24.43%

Notes to the Required Supplementary Information

Actuarial Cost Method	Entry age Normal (Level % Pay)
Amortization Method	Level % Pay (Closed)
Amortization Target	100% Funded by 2040
Asset Valuation Method	5 - Year Smoothed Market Value
Inflation	3.00%
Salary Increases	4.00% - 6.00%
Investment Rate of Return	5.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	Mortality rates are based on rates developed in the Lauterbach & Amen, LLP 2012 Mortality Table for Illinois Police Officers.

GASB Pronouncements 67 and 68 require the presentation of the last 10 prior fiscal years completed under these pronouncements. The fiscal years completed prior to the enactment of these pronouncements are not required to be presented in this schedule.

See independent auditor's report.

**Village of Round Lake Park, Illinois  
Required Supplementary Information -  
Schedule of Changes in the Employer's Net Pension Liability  
April 30, 2015**

	2015
Total Pension Liability	\$ 421,834
Service Cost	318,125
Interest	-
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	-
Change of Assumptions	-
Benefit Payments, Including Refunds of Member Contributions	(203,993)
Net Change in Total Pension Liability	\$ 535,966
Total Pension - Beginning	8,386,497
Total Pension Liability - Ending	\$ 8,922,463
Plan Fiduciary Net Position	
Contributions - Employer	\$ 212,747
Contributions - Members	89,609
Contributions - Other	-
Net Investment Income	65,674
Benefits Payments, Including Refunds of Member Contributions	(203,993)
Administrative Expense	(21,572)
Net Change in Plan Fiduciary Net Position	\$ 142,465
Plan Net Position - Beginning	1,458,564
Plan Net Position -Ending	\$ 1,601,029
Employer's Net Pension Liability	\$ 7,321,434
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	17.94%
Covered - Employee Payroll	\$ 870,803
Employer's Net Position Liability as a Percentage of Covered - Employee Payroll	840.77%

See independent auditor's report.

**Village of Round Lake Park, Illinois  
Required Supplementary Information  
Schedule of Investments Returns  
April 30, 2015**

<u>Fiscal Year</u>	<u>Annual Money-Weighted Rate of Return, Net of Investment Expense</u>
2015	4.32%

See independent auditor's report.

**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, 2015**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Property taxes	\$ 500,343	\$ 477,500	\$ (22,843)
Other taxes	925,000	709,222	(215,778)
Intergovernmental	916,000	982,139	66,139
Licenses and permits	200,000	233,447	33,447
Charges for services	9,310	3,661	(5,649)
Fines and forfeitures	369,653	315,920	(53,733)
Grants and donations	100,000	52,930	(47,070)
Interest	-	300	300
Miscellaneous	200,000	77,991	(122,009)
<b>Total revenues</b>	<u>3,220,306</u>	<u>2,853,110</u>	<u>(367,196)</u>
<b>Expenditures:</b>			
General government	1,330,185	358,264	971,921
Public safety	2,918,685	1,816,703	1,101,982
Public works	719,000	263,279	455,721
Capital Outlay	88,000	24,790	63,210
Debt service	50,000	98,216	(48,216)
<b>Total expenditures</b>	<u>5,105,870</u>	<u>2,561,252</u>	<u>2,544,618</u>
<b>Revenues over (under) expenditures</b>	<u>(1,885,564)</u>	<u>291,858</u>	<u>2,177,422</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds from Capital Leases			-
<b>Net changes in fund balance</b>	<u>\$ (1,885,564)</u>	<u>291,858</u>	<u>\$ 2,177,422</u>
Fund balance, beginning of the year		<u>1,257,948</u>	
Fund balance, end of the year		<u>\$ 1,549,806</u>	

See independent auditor's report.

Village of Round Lake Park, Illinois  
 Combining Balance Sheet -  
 Nonmajor Governmental Funds  
 April 30, 2015

	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	
<b>ASSETS</b>								
Cash	\$ -	\$ 360,967	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 360,967
Receivables - property taxes, net	17,085	-	4,293	102,801	16,000	-	-	140,179
Receivables - other taxes	-	17,383	-	-	-	-	-	17,383
Due from other funds	97,872	6,224	-	-	3,053	-	33,476	140,625
<b>TOTAL ASSETS</b>	<b>\$ 114,957</b>	<b>\$ 384,574</b>	<b>\$ 4,293</b>	<b>\$ 102,801</b>	<b>\$ 19,053</b>	<b>\$ -</b>	<b>\$ 33,476</b>	<b>\$ 659,154</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>								
Liabilities:								
Due to other funds	\$ -	\$ -	\$ 7,013	\$ 12,751		\$ 191,559	\$ -	\$ 211,323
Total Liabilities	-	-	7,013	12,751	-	191,559	-	211,323
Deferred Inflows of Resources:								
Deferred property taxes	\$ 17,085	\$ -	\$ 4,293	\$ 102,801	\$ 16,000	\$ -	\$ -	\$ 140,179
Total deferred inflows of resources	17,085	-	4,293	102,801	16,000	-	-	140,179
Fund balances (deficit):								
Unassigned:								
Reported in debt service funds	-	-	-	-	-	-	33,476	33,476
Reported in special revenue funds	97,872	384,574	(7,013)	(12,751)	3,053	(191,559)	-	274,176
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<b>97,872</b>	<b>384,574</b>	<b>(7,013)</b>	<b>(12,751)</b>	<b>3,053</b>	<b>(191,559)</b>	<b>33,476</b>	<b>307,662</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES</b>	<b>\$ 114,957</b>	<b>\$ 384,574</b>	<b>\$ 4,293</b>	<b>\$ 102,801</b>	<b>\$ 19,053</b>	<b>\$ -</b>	<b>\$ 33,476</b>	<b>\$ 659,154</b>

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, 2015

	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	\$ 19,341	\$ -	\$ 4,436	\$ 99,726	\$ 16,319	\$ -	\$ -	\$ 139,822
Other taxes	-	244,286	447	-	-	-	-	244,733
Refunds	-	-	-	-	-	-	-	-
Interest	-	155	-	-	-	-	-	155
<b>Total revenues</b>	<b>19,341</b>	<b>244,441</b>	<b>4,883</b>	<b>99,726</b>	<b>16,319</b>	<b>-</b>	<b>-</b>	<b>384,710</b>
Expenditures:								
Current:								
General government	51,416	-	-	104,102	13,001	-	-	168,519
Public works	-	71,796	-	-	-	-	-	71,796
Capital Outlay	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>51,416</b>	<b>71,796</b>	<b>-</b>	<b>104,102</b>	<b>13,001</b>	<b>-</b>	<b>-</b>	<b>240,315</b>
<b>Net changes in fund balances (deficit)</b>	<b>(32,075)</b>	<b>172,645</b>	<b>4,883</b>	<b>(4,376)</b>	<b>3,318</b>	<b>-</b>	<b>-</b>	<b>144,395</b>
Fund balances (deficit), beginning of the year	129,947	211,929	(11,886)	(8,375)	(265)	(191,559)	33,476	163,257
Fund balances (deficit), end of the year	\$ 97,872	\$ 384,574	\$ (7,013)	\$ (12,751)	\$ 3,053	\$ (191,559)	\$ 33,476	\$ 307,652

See independent auditor's report.

**Village of Round Lake Park, Illinois**  
**Detailed Schedule of Revenues - Budget and Actual**  
**General Fund**  
**For the Year Ended April 30, 2015**

	Original and Final Budget	Actual	Variance Positive (Negative)
Property taxes	\$ 500,343	\$ 477,500	\$ (22,843)
Other taxes:			
Sales taxes	450,000	296,559	(153,441)
Pull Tabs & Video Gaming Tax	50,000	43,118	(6,882)
Utility taxes	425,000	369,545	(55,455)
<b>Total other taxes</b>	<b>925,000</b>	<b>709,222</b>	<b>(215,778)</b>
Intergovernmental:			
Income taxes	850,000	766,536	(83,464)
Use taxes	-	151,008	151,008
Replacement taxes	6,000	4,595	(1,405)
Landfill agreement	60,000	60,000	-
<b>Total intergovernmental</b>	<b>916,000</b>	<b>982,139</b>	<b>66,139</b>
Licenses and permits:			
Vehicle licenses	-	27,402	27,402
Truck licenses	-	11,717	11,717
Business licenses	-	14,455	14,455
Building permits	-	84,451	84,451
Occupancy permits	-	24,345	24,345
Tower rental fees	-	25,325	25,325
Other permits and fees	-	7,217	7,217
Franchise fees	-	38,535	38,535
<b>Total licenses and permits</b>	<b>200,000</b>	<b>233,447</b>	<b>233,447</b>
Grants and donations	100,000	52,930	(47,070)
Charges for services - garbage	9,310	3,661	(5,649)
Fines and forfeitures:			
Court fines	-	170,179	170,179
Ordinance violations	-	59,406	59,406
Tow fees	-	75,250	75,250
Adjudication fines	-	11,085	11,085
<b>Total fines and forfeitures</b>	<b>369,653</b>	<b>315,920</b>	<b>315,920</b>
Investment income - interest earned	-	300	300
Miscellaneous revenue	200,000	77,991	(122,009)
<b>Total revenues</b>	<b>\$ 3,220,306</b>	<b>\$ 2,853,110</b>	<b>\$ 202,457</b>

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, 2015**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>General government:</b>			
<b>Administration:</b>			
Salaries	\$ 75,000	\$ 53,234	\$ 21,766
Fringe benefits	15,000	13,946	1,054
Contractual services	997,100	148,138	848,962
Commodities	17,000	24,839	(7,839)
Utilities	35,000	18,736	16,264
Other expenditures	10,000	-	10,000
Capital expenditures	8,000	-	8,000
<b>Total administration</b>	<u>1,157,100</u>	<u>258,893</u>	<u>898,207</u>
<b>Legislative:</b>			
Salaries	55,000	47,300	7,700
Contractual services	5,000	5,486	(486)
<b>Total legislative</b>	<u>60,000</u>	<u>52,786</u>	<u>7,214</u>
<b>Building:</b>			
Contractual services	50,525	40,639	9,886
Commodities	1,550	914	636
Utilities	800	-	800
<b>Total building</b>	<u>52,875</u>	<u>41,553</u>	<u>11,322</u>
Planning and zoning - contractual services	68,210	5,032	63,178
<b>Total general government</b>	<u>1,338,185</u>	<u>358,264</u>	<u>979,921</u>
<b>Public safety:</b>			
<b>Police department:</b>			
Salaries	1,550,000	1,069,711	480,289
Fringe benefits	780,000	318,403	461,597
Contractual services	422,660	339,554	83,106
Commodities	138,000	77,606	60,394
Utilities	18,000	10,345	7,655
Capital Outlay	80,000	-	80,000
Debt service	15,000	82,392	(67,392)
<b>Total police department</b>	<u>3,003,660</u>	<u>1,898,011</u>	<u>1,105,649</u>
Police commission - contractual services	10,025	1,084	8,941
<b>Total public safety</b>	<u>3,013,685</u>	<u>1,899,095</u>	<u>1,114,590</u>
<b>Public works:</b>			
Salaries	223,000	111,112	111,888
Fringe benefits	57,000	22,056	34,944
Contractual services	41,000	34,346	6,654
Commodities	325,000	32,654	292,346
Utilities	44,000	31,628	12,372
Capital Outlay	-	24,790	(24,790)
Debt service	35,000	15,824	19,176
Park District contract	29,000	31,483	(2,483)
<b>Total public works</b>	<u>754,000</u>	<u>303,893</u>	<u>450,107</u>
<b>Total expenditures</b>	<u>\$ 5,105,870</u>	<u>\$ 2,561,252</u>	<u>\$ 2,544,618</u>

See independent auditor's report.

**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, 2015**

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes	\$ 165,636	\$ 155,934	\$ (9,702)
Total revenues	<u>165,636</u>	<u>155,934</u>	<u>(9,702)</u>
Expenditures:			
Downtown redevelopment -			
contractual services	40,500	3,347	37,153
capital outlay	950,000	-	950,000
Debt service:			
Principal	-	60,000	(60,000)
Interest	-	75,975	(75,975)
Total expenditures	<u>990,500</u>	<u>139,322</u>	<u>851,178</u>
Net changes in fund balance	<u>\$ (824,864)</u>	16,612	<u>\$ 841,476</u>
Fund balance, beginning of the year		<u>1,076,480</u>	
Fund balance, end of the year		<u>\$ 1,093,092</u>	

See independent auditor's report.

**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, 2015**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Property taxes	\$ 16,496	\$ 16,319	\$ (177)
Total revenues	<u>\$ 16,496</u>	<u>\$ 16,319</u>	<u>\$ (177)</u>
Expenditures - general government - contractual services - audit fees	<u>20,000</u>	<u>13,001</u>	<u>6,999</u>
Net changes in fund balance	<u>\$ (3,504)</u>	<u>3,318</u>	<u>\$ 6,822</u>
Fund balance, beginning of the year		<u>(265)</u>	
Fund balance, end of the year		<u>\$ 3,053</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, 2015**

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes	\$ 98,968	\$ 99,726	\$ 758
Total revenues	\$ 98,968	\$ 99,726	\$ 758
Expenditures - general government - contractual services - liability insurance	175,000	104,102	70,898
Net changes in fund balance	\$ (76,032)	(4,376)	\$ 71,656
Fund balance, beginning of the year		(8,375)	
Fund balance, end of the year		\$ (12,751)	

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, 2015**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Intergovernmental - motor fuel tax allotments	\$ 275,000	\$ 244,286	\$ (30,714)
Investment income - interest earned	-	155	155
<b>Total revenues</b>	<u>275,000</u>	<u>244,441</u>	<u>(30,559)</u>
<b>Expenditures - highways and streets</b>			
Contractual services	18,000	-	18,000
Commodities	97,950	71,796	26,154
Capital Outlay	300,000	-	300,000
<b>Total expenditures</b>	<u>415,950</u>	<u>71,796</u>	<u>344,154</u>
<b>Net changes in fund balance</b>	<u>\$ (140,950)</u>	<u>172,645</u>	<u>\$ 313,595</u>
Fund balance, beginning of the year		<u>211,929</u>	
Fund balance, end of the year		<u>\$ 384,574</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, 2015**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Property taxes	\$ 18,557	\$ 19,341	\$ 784
Total revenues	<u>18,557</u>	<u>19,341</u>	<u>784</u>
Expenditures - general government - fringe benefits:			
Social Security and Medicare	62,000	38,800	23,200
IMRF	<u>45,000</u>	<u>12,616</u>	<u>32,384</u>
Total expenditures	<u>107,000</u>	<u>51,416</u>	<u>55,584</u>
Net changes in fund balance	<u>\$ (88,443)</u>	<u>(32,075)</u>	<u>\$ 56,368</u>
Fund balance, beginning of the year		<u>129,947</u>	
Fund balance, end of the year		<u>\$ 97,872</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, 2015**

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes	\$ -	\$ 4,436	\$ 4,436
Replacement taxes	-	447	\$ 447
Total revenues	<u>-</u>	<u>4,883</u>	<u>4,883</u>
Expenditures - highways and streets			
Commodities	<u>4,500</u>	<u>-</u>	<u>4,500</u>
Net changes in fund balance (deficit)	<u>\$ (4,500)</u>	<u>4,883</u>	<u>\$ 4,436</u>
Fund balance (deficit), beginning of the year		<u>(11,896)</u>	
Fund balance (deficit), end of the year		<u>\$ (7,013)</u>	

See independent auditor's report.

**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, 2015**

	Original and Final Budget	Actual	Variance Positive (Negative)
Operating Revenues:			
Charges for services	\$ 1,325,000	\$ 1,103,633	\$ (221,367)
Fines and forfeitures	-	23,861	23,861
<b>Total operating revenues</b>	<u>1,325,000</u>	<u>1,127,494</u>	<u>(197,506)</u>
Operating Expenditures:			
Salaries	294,000	146,129	147,871
Employee benefits	90,310	64,916	25,394
Contractual services	570,860	396,699	174,161
Commodities	608,545	309,610	298,935
Insurance	57,000	20,524	36,476
Debt service	101,305	-	101,305
Utilities	35,000	18,988	16,012
Other expenditures	604,000	-	604,000
Depreciation	235,000	230,860	4,140
<b>Total operating expenses</b>	<u>2,596,020</u>	<u>1,187,726</u>	<u>1,408,294</u>
Net operating loss	<u>(1,271,020)</u>	<u>(60,232)</u>	<u>1,210,788</u>
Nonoperating revenue (expense):			
Interest expense	(500)	(29)	471
<b>Total nonoperating revenue (expense)</b>	<u>(500)</u>	<u>(29)</u>	<u>471</u>
Changes in net position	<u>\$ (1,271,520)</u>	<u>(60,261)</u>	<u>\$ 1,211,259</u>
<b>Net position, beginning of the year</b>		<u>2,621,902</u>	
<b>Net position, end of the year</b>		<u>\$ 2,561,641</u>	

See independent auditor's report.