

AGENDA
VILLAGE OF ROUND LAKE
COMMITTEE OF THE WHOLE MEETING
November 21, 2016
442 N. Cedar Lake Road
To Follow the Regular Board Meeting
The Regular Board Meeting is 7:00 P.M.

CALL TO ORDER

1. ROLL CALL

2. APPROVAL OF MINUTES

2.1 Approve the Minutes of the Committee of the Whole Meeting of November 7, 2016

3. PUBLIC COMMENT

4. COMMITTEE OF THE WHOLE

- Community Development
- Human Resources and Finance
 - Fiscal Year End 2016 Audit and Management Letter
- Public Works, Facilities and Capital Assets, and Engineering
 - Authorize Anti-icing Liquids Purchase
 - Bridge Inspection Program
 - 2016/2017 Snow Removal Plan
 - Emergency Snow Removal Contract
- Building and Zoning
- Special Events
- Police
 - Network Attached Storage (NAS)
 - In-Car Camera's Extended Warranty
 - Ballistic Shield Purchase
- Administration
 - Compensation Study / Staffing Analysis

5. SUGGESTED NEW TOPICS

6. EXECUTIVE SESSION

7. ADJOURN

MINUTES
VILLAGE OF ROUND LAKE
COMMITTEE OF THE WHOLE MEETING
November 7, 2016
442 N. Cedar Lake Road
To Follow the Regular Board Meeting
The Regular Board Meeting is 7:00 P.M.

CALL TO ORDER

THE COMMITTEE OF THE WHOLE MEETING OF THE VILLAGE OF ROUND LAKE WAS CALLED TO ORDER BY DAN MACGILLIS, VILLAGE PRESIDENT AT 7:23 P.M.

1. ROLL CALL

Present: Trustees Foy, Rodriguez, Triphahn

Absent: Trustees Frye, Kraly, Newby

2. APPROVAL OF MINUTES

2.1 Approve the Minutes of the Committee of the Whole Meeting of October 17, 2016

Trustee Triphahn moved, Seconded by Trustee Rodriguez, to approve the Minutes of the Committee of the Whole Meeting of October 17, 2016. Upon a unanimous voice vote; the Mayor declared the motion carried

3. PUBLIC COMMENT

NONE

4. COMMITTEE OF THE WHOLE

- Community Development
- Human Resources and Finance
 - 2016 Proposed Tax Levy
Finance Director, Wayde Frerichs, recommended a proposed levy equal to the estimated levy of \$3,697,827.00 to the board. He stated that this will be an increase of 3.08% over last year's extension and would capture the entire benefit of the CPI growth (0.70%) and any new construction EAV, however, the limiting allowable extension is estimated to be only \$3,619,150, once the Road and Bridge levy is reduce by the County. FD Frerichs did note that there is an increase to the new property EAV from the estimated \$300,000 to \$500,000. This increased the maximum allowable levy by \$2,667 from the amount previously presented. The \$3,619,150 amount will result in a total increase of .89% or \$31,766 over the 2015 Actual Extension of which only 0.70% or \$25,112 affects current residents (CPI). The remaining 0.19% or \$6,654 will be from new construction and property that are new to the tax rolls

The Mayor and Board agreed to move to the next Consent Agenda

- Public Works, Facilities and Capital Assets, and Engineering
 - Nippersink Road Project – Additional Water Main Work
Public Works Direct Adam Wedoff stated that during the construction on the Nippersink Road Project it was discovered that one of the valves for the water main is

broken in the closed position and feels that it is in the best interest of the Village to replace the valve in conjunction with the planned work already in process while the road is already open and its accessible

The Mayor and Board agreed to move to the next Consent Agenda

- Lakewood Lift Station SCADA Integration
PWD Wedoff recommended accepting a proposal from BWCSI, LLC to provide materials and installation services required to integrate the new Lakewood lift station control cabinet into the Villages SCADA system

The Mayor and Board agreed to move to the next Consent Agenda

- Verbal Discussion: Emerald Ash Borer Tree Removal Increased Costs
PWD Wedoff stated that more than expected had been spent removing the dead/dying Ash trees as originally thought, however the stump and tree removal portion of the project is complete and will be back to the board when he has a value of the costs. New trees planted will be sometime in the future. It was asked what would be done with the decorative landscaping that some homeowners had adorned their trees with. It was stated it is the homeowner's responsibility to remove the items from the parkway and was mentioned in a letter originally given to the homeowner prior to the tree in front of their house had been removed. If the items are not removed within a reasonable time a future letter will go out reminding them prior to code enforcement being involved.

- Building and Zoning
- Special Events
- Police

- School of Police Staff & Command Training
Police Chief Gillette requested approval to enroll a Sergeant in the Northwestern University's Center for Public Safety 10 week 350 Hour Police Staff & Command School.

The Mayor and Board agreed to move to the next Consent Agenda

- Verbal Discussion: Emergency Management
Police Chief Gillette stated that a meeting had been held in our community room on October 27th which included Emergency Management Coordinators from area municipalities. The meeting had been conducted by the new Emergency Management Coordinator for Lake County, Michael Dacey. The Chief stated the New Coordinator is trying to set up a consortium of all the Emergency Management in the County and try to build a better working relationship. One of the things the Chief said the new Coordinator presented is called, Planned Development Review Crosswalk. This is a 26 page checklist of review items, completed by the various Emergency Coordinators, that is for an Emergency Plan for their area. That plan is presented to the County and they present it to the State for approval. The Chief stated that this had never been done before within the Village and he is looking forward to working with the EMC. He also mentioned that with updating the emergency plan we might have to do some

drills and some classes that would be required and is suggesting that Board Members also get involved with some of the classes so they all know what to do in the event of an emergency. The Mayor stated that when the time is ready to communicate with him and he is sure the board will be more than happy to attend.

- Administration

5. SUGGESTED NEW TOPICS

6. EXECUTIVE SESSION

6.1 Motion to move to Executive Session to discuss potential litigation pursuant to Section 2c(1) of the Illinois Open Meeting Act

Motion by Trustee Triphahn, seconded by Trustee Foy, to move to Executive Session to discuss the potential litigation pursuant to Section 2c(1) of the Illinois Open Meeting Act

By a unanimous voice vote the Mayor declared the Motion carried.

The COTW Board Recessed to Executive Session at 7:44 P.M.

The Board rejoined the COTW Board Meeting at 8:07 P.M.

ROLL CALL

Present: Trustees Foy, Rodriguez, Triphahn

Absent: Trustees Frye, Kraly, Newby

7. ADJOURN

Motion by Trustee Triphahn, Seconded by Trustee Rodriguez to adjourn the Committee of the Whole meeting at 8:08 P.M. Upon a unanimous voice vote, the Mayor declared the motion carried.

APPROVED:

Patricia C. Blauvelt
Village Clerk

Daniel MacGillis
Village President



VILLAGE OF ROUND LAKE

AGENDA ITEM SUMMARY

TITLE: FISCAL YEAR END APRIL 30, 2016

Agenda Item No. COTW

AUDIT REPORT & MANAGEMENT LETTER

Executive Summary:

Attached is the fiscal year end April 30, 2016 audit report for review and discussion. Daniel A. Berg, Partner at Sikich, will be in attendance to provide a brief overview of the audit report and to answer any questions the Village Board members may have.

Also, attached is the Auditor's Communication to the Members of the Board of Trustees and Management letter. This letter contains the required communication with those charged with governance, communication of any deficiencies in internal control and other comments to management, the management letter, status of prior year comments, and future accounting pronouncements.

There were no new comments for the fiscal year end April 30, 2016. However, there are still comments from prior year Management Letter's that remain open and need to be addressed.

Recommended Action:

Accept the Fiscal Year Ended April 30, 2016 Audit Report and Management Letter as presented.

Committee: Human Resources & Finance		Meeting Date: November 21, 2016		
Lead Department: Administration		Presenter: Wayde Frerichs, Director of Finance		
Item Budgeted: ☐ Yes ☐ No ☒ N/A				
If amount requested is over budget, a detailed explanation of what account(s) the overage will be charged to will be provided in the Executive Summary or attached detail.		Account(s)	Budget	Expenditure
		-	-	
		Item Requested		
		All Other Items		
		Y-T-D Actual		
		Encumbered		
		Total:	\$0.00	\$0.00
		Request is over/under budget:		
		Under	-	
		Over	-	

VILLAGE OF ROUND LAKE, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended
April 30, 2016



VILLAGE OF ROUND LAKE, ILLINOIS
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INTRODUCTORY SECTION



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Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor
Members of the Board of Trustees
Village of Round Lake
Round Lake, Illinois

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Village of Round Lake, Illinois (the Village) as of and for the year ended April 30, 2016, and the related notes to financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village'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 Village'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 modified cash financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Village of Round Lake, Illinois, as of April 30, 2016, and the respective changes in modified cash financial position and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting as described in Note 1d.

Change in Accounting Principle

The Village adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which modified certain disclosures in the notes to financial statements. Our opinion is not modified with respect to these matters.

Basis of Accounting

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

Other Matters

Other Information

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

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

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

Sikich LLP

Naperville, Illinois

October 20, 2016

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

VILLAGE OF ROUND LAKE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2016

The discussion and analysis of the Village of Round Lake's financial performance provides an overview of the Village's financial activities for the fiscal year ended April 30, 2016.

FINANCIAL HIGHLIGHTS

- The Village's Governmental net position, which equal total assets plus deferred outflows of resources less total liabilities, was \$36,461,785 and \$35,401,996 at the end of fiscal year 2016 and 2015, respectively, an increase of \$1,059,789. Business-type activities net position was \$39,406,479 and \$40,051,137 at the end of fiscal year 2016 and 2015, respectively, a decrease of \$644,658.
- Governmental unrestricted net position, assets that may be used to meet the Village's ongoing obligations to residents and creditors, was \$7,817,582 and \$7,788,738 for fiscal year 2016 and 2015, respectively, an increase of \$28,844. Business-type activities unrestricted net position was \$7,139,952 and \$6,971,319 for fiscal year 2016 and 2015, respectively, an increase of \$168,633.
- Revenues for Governmental Activities (excluding transfers) equaled \$9,452,264 and were higher than total program expenses of \$8,392,475 by \$1,059,789 as compared to total revenues of \$9,562,031 which were higher than total expenses of \$8,139,997 by \$1,422,034 in the prior year. Revenues for Business-Type Activities (excluding transfers) equaled \$4,178,895 and were lower than total program expenses of \$4,823,553 by \$644,658, as compared to total revenues of \$4,615,115 which were lower than total expenses of \$4,713,758 by \$98,643, in the prior year.
- The fund balance for the General Fund equaled \$5,862,305, an increase of \$35,328 from the beginning fund balance of \$5,826,977.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

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

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

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

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

Notes to the Financial Statements

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

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, the net position may serve over time as a useful indicator of a government's financial position. In the case of the Village of Round Lake, assets plus deferred outflows of resources exceeded liabilities by \$75.8 million at April 30, 2016.

By far the largest portion of the Village's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure); less any related debt used to acquire those assets still outstanding. As of April 30, 2016, net investment in capital assets totaled \$59.1 million, representing 77.94% of total net position. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

Just over \$1.8 million (2.41%) of the Village's net position represents resources that are subject to restrictions on how they may be used, such as for debt service, capital projects, and other specific purposes. The remaining

\$14,909,508 balance of unrestricted net position may be used to meet the Village's ongoing obligations to citizens and creditors.

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

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

	Governmental Activities		Business - Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current assets	\$9,617,108	\$9,580,020	\$7,212,009	\$7,031,356	\$16,829,117	\$16,611,376
Capital assets	38,640,301	38,207,900	32,886,527	33,814,818	71,526,828	72,022,718
Total assets	48,257,409	47,787,920	40,098,536	40,846,174	88,355,945	88,634,094
Unamortized loss on refunding						
Total Deferred Outflows	639,233	706,642	0	0	639,233	706,642
Other liabilities	18,147	14,738	72,057	60,037	90,204	74,775
Noncurrent liabilities	12,416,710	13,077,828	620,000	735,000	13,036,710	13,812,828
Total liabilities	12,434,857	13,092,566	692,057	795,037	13,126,914	13,887,603
Net Position						
Net investment in capital assets	26,862,824	25,836,714	32,266,527	33,079,818	59,129,351	58,916,532
Restricted	1,781,379	1,776,544	0	0	1,781,379	1,776,544
Unrestricted	7,817,582	7,788,738	7,139,952	6,971,319	14,957,534	14,760,057
Total net position	\$36,461,785	\$35,401,996	\$39,406,479	\$40,051,137	\$75,868,264	\$75,453,133

Total net position of the Village increased by \$415,131 for the fiscal year ended 2016. The net position related to governmental activities increased by \$1,059,789, while net position related to business-type activities decreased by \$644,658.

In the governmental activities, current assets, mainly cash and investments, increased \$37,088. General Fund cash and investments increased \$32,762; internal service activities cash increased \$82,752, while other governmental funds cash and investments decreased \$81,401. The General Fund had excess revenues over expenditures of roughly \$885,000 before transfers out of \$850,000 to fund capital projects and debt service resulting in an increase in cash and investments. All other governmental funds cash and investments decreased \$81,401 mainly due to budgeted capital outlay projects in the Capital Projects Fund. Noncurrent liabilities decreased \$661,118 mainly due to normal principal reductions for the Village's general obligation bonds.

In the business-type activities, current assets increased by \$180,653 mainly due to higher water and sewer receipts, from customers and users, coupled with an increase in net investment income over the previous year. Noncurrent liabilities decreased from the preceding fiscal year due to a \$115,000 principal payment made on the Village's 2010C outstanding debt series.

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

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

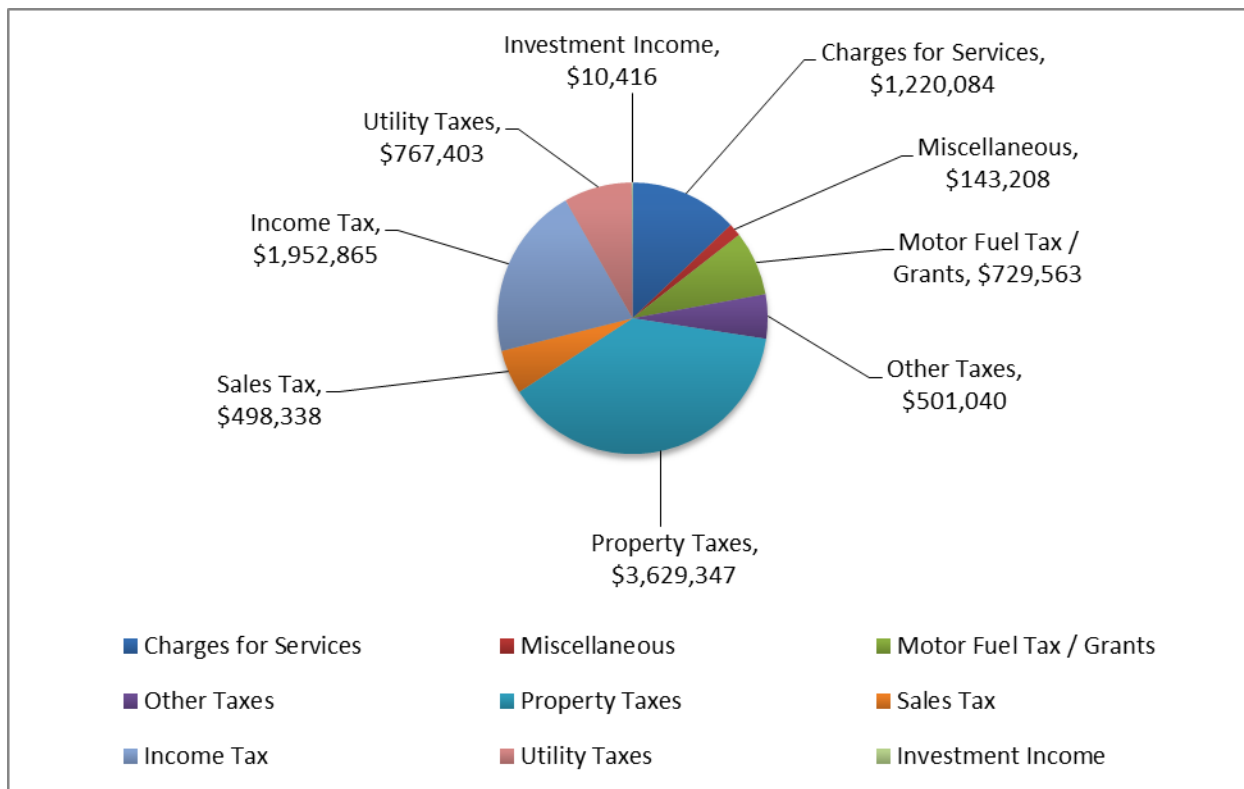
	Governmental Activities		Business - Type Activities		Total	
	2016	2015	2016	2015	2016	2015
<u>Revenues</u>						
Program revenues						
Charges for services	\$1,220,084	\$1,179,003	\$4,165,495	\$4,095,766	\$5,385,579	\$5,274,769
Operating Grants	628,003	977,082	-	-	628,003	977,082
Capital Grants	101,560	100,000	-	-	101,560	100,000
General revenues						
Property taxes	3,629,347	3,566,671	-	-	3,629,347	3,566,671
Income tax	1,952,865	1,775,961	-	-	1,952,865	1,775,961
Utility taxes	767,403	850,457	-	-	767,403	850,457
Other taxes	999,378	905,031	-	-	999,378	905,031
Interest income	10,416	7,234	13,400	18,445	23,816	25,679
Impact fees and recaptures	-	19,745	-	-	-	19,745
Miscellaneous	143,208	180,847	-	500,904	143,208	681,751
Total revenues	9,452,264	9,562,031	4,178,895	4,615,115	13,631,159	14,177,146
Program expenses						
General government	2,245,713	2,682,202	-	-	2,245,713	2,682,202
Police department	3,770,768	3,604,976	-	-	3,770,768	3,604,976
Public works	1,543,020	1,005,941	-	-	1,543,020	1,005,941
Community development	253,018	247,812	-	-	253,018	247,812
Debt service	579,956	599,066	-	-	579,956	599,066
Parking Lot	-	-	64,552	51,737	64,552	51,737
Water and sewer	-	-	4,759,001	4,662,021	4,759,001	4,662,021
Total expenses	8,392,475	8,139,997	4,823,553	4,713,758	13,216,028	12,853,755
Changes in net position before						
contributions and transfers	1,059,789	1,422,034	(644,658)	(98,643)	415,131	1,323,391
Contributions	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Increase (decrease) in net position	1,059,759	1,422,034	(644,658)	(98,643)	415,131	1,323,391
Beginning of year	35,401,996	33,979,962	40,051,137	40,149,780	75,453,133	74,129,742
End of year	\$36,461,785	\$35,401,996	\$39,406,479	\$40,051,137	\$75,868,264	\$75,453,133

Governmental Activities

Program revenues (amounts charged to residents for programs plus operating and capital grants) for governmental activities totaled \$1,949,647 and general revenues totaled \$7,502,617 for a total of \$9,452,264, a decrease of \$109,767 from the preceding year.

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

Revenues by Source – Governmental Activities



Property taxes account for the largest revenue source in the governmental type activities of the Village at 38.40% of the overall revenues. Charges for services, 12.91% of the total, include items such as business licenses, building permits, and refuse pickup. Income Tax, 20.66% is the portion of state income tax that the State of Illinois distributes to the Village on a per capita basis. Utility taxes include electric, gas, and the municipal telecommunications tax, which accounted for 8.12% of the overall revenues. Other taxes of \$501,040 include use and replacement tax.

Expenses related to governmental activities totaled \$8,392,475 in the current fiscal year, representing an increase of \$252,478 from the preceding fiscal year. The increase is partially due to increased payroll expense as a result of the Police Department being fully staffed and roadway projects.

Business-Type Activities

Program revenues for business type activities totaled \$4,165,495 and general revenues totaled \$13,400 for a total of \$4,178,895, a decrease of \$436,220 from the preceding year. Charges for services increased \$69,729 from 2015 mainly due to higher water and sewer rates. Miscellaneous revenue decreased \$40,904 from 2015 due to the completion of the Emerald Bay subdivision.

Expenses from business-type activities totaled \$4,823,553 compared to \$4,713,758 in the preceding year, an increase of \$109,795 or 2.33%.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

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

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

As of April 30, 2016, the Village's governmental funds reported a combined ending fund balance of \$8,957,196, representing a decrease of \$49,073 or .54%, from the preceding year. Approximately 64.25% or \$5,754,630, constitutes unrestricted, unassigned fund balance, which is available for spending at the village's discretion. The remainder of fund balance is restricted or assigned, to indicate that it is not available for new spending because it has already been earmarked: 1) to pay debt service, or 2) for a variety of other restricted purposes.

General Fund. The General Fund is the main operating fund of the Village. At April 30, 2016 total fund balance was \$5,862,305, an increase of \$35,328 over the prior year fund balance. The following table summarizes General Fund revenues and expenditures, with a comparison to the operating budget, for the fiscal year ended April 30, 2016.

	Operating Budget	Actual	Variance	Percent Variance
Revenues				
Taxes	3,127,179	3,605,376	478,197	15.29%
Charges For Service	628,900	642,082	13,182	2.10%
Licenses And Permits	91,000	112,650	21,650	23.79%
Intergovernmental	2,729,502	2,973,620	244,118	8.94%
Fines	183,625	188,721	5,096	2.78%
Franchise Fees	258,500	277,081	18,581	7.19%
Interest Income	12,353	8,743	(3,610)	(29.22%)
Miscellaneous Income	163,000	143,208	(19,792)	(12.14%)
Total Revenues	7,194,059	7,951,481	757,422	10.53%
Expenditures				
General Government	2,047,807	1,876,757	171,050	8.35%
Police Department	3,779,732	3,960,017	(180,285)	(4.77%)
Public Works	1,050,102	902,561	147,541	14.05%
Community Development	298,713	277,412	21,301	7.13%
Capital Outlay	63,389	49,406	13,983	22.06%
Other Financing Uses	850,000	850,000	0	0.00%
Total Expenditures	8,089,743	7,916,153	173,590	2.15%
Changes In Fund Balance	(895,684)	35,328	931,012	103.94%

It should be noted for audit purposes the Police Pension Fund tax levy is included in the General Fund as revenue in the taxes category and as an expenditure in the Police Department, at \$448,626. As the chart shows, revenues were \$757,422, 10.53% above the operating budget amount. Besides taxes, the largest actual to budget dollar variance is intergovernmental; with actual revenue exceeding the budget amount by \$244,118 due to the following taxes coming in over budget; use, income, replacement, and video gaming. Sales tax was \$1,662 under budget.

Expenditures were 2.15% under the operating budget of \$8,089,743. The Police Department expenditures are \$268,341 under the operating budget after backing out the \$448,626 Police Pension tax levy. All other operating expenditures were consistent with the operating budget.

Other Governmental Funds. All other governmental fund type revenues were \$1,500,783, a decrease of \$462,661 from the prior year amount of \$1,963,444. The table below lists the revenue types and the change from the prior year.

	2016	2015	Dollar Change	Percent Change
Revenues				
Taxes	\$791,374	\$874,428	(\$83,054)	(9.50%)
Intergovernmental	\$707,736	\$1,055,967	(\$348,231)	(32.98%)
Impact Fees	\$0	\$19,745	(\$19,745)	(100.00%)
Interest Income	\$1,673	\$1,389	\$284	20.45%
Miscellaneous Income	\$0	\$11,915	(\$11,915)	(100.00%)
Total Revenues	\$1,500,783	\$1,963,444	(\$462,661)	(23.56%)

Fiscal year end 2016 taxes were \$83,054 lower than 2015 due to electric tax decreasing 2.14%, telephone tax decreasing .32%, and gas tax decreasing 31.97% from the previous fiscal year. Intergovernmental revenue decreased \$348,231 mainly due to the absence of significant grant and roadway project reimbursement receipts. Impact fees were \$19,745 lower than 2015 due to the completed development of the Emerald Bay subdivision.

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

	2016	2015	Dollar Change	Percent Change
Expenditures				
General Government	137,515	193,184	(55,669)	(28.82%)
Public Works	102,146	61,420	40,726	66.31%
Capital Outlay	1,021,858	1,837,988	(816,130)	(44.40%)
Debt Service	1,173,665	1,176,775	(3,110)	(0.26%)
Total Expenditures	2,435,184	3,269,367	(834,183)	(25.52%)

All other governmental fund type expenditures were \$2,435,184, a decrease of \$834,183 from the prior year. As shown in the table above the major increase was in the capital outlay category. The majority of the net decrease relates to projects in the Motor Fuel Tax Fund for roadway improvements, specifically the near completion of Hart Rd in 2015. General Government expenditures decreased 28.82% due to a decrease in engineering fees related to the roadway improvement projects.

Proprietary funds. The Village's proprietary funds, the enterprise funds, which includes water/sewer and the commuter parking lot funds and the internal service funds which include the vehicle, technology, and building replacement funds, provides the same type of information found in the government-wide financial statements, but in more detail.

The Water and Sewer Fund reported total operating income before depreciation expense of \$564,956. Operating revenues totaled \$4,087,281, an increase of \$35,103 from the preceding year. Operating expenses excluding depreciation totaled \$3,522,325, an increase of \$72,876 from the prior year. Operating loss before non-operating items, transfers and contributions totaled \$647,912. The total change in net position reported for the current fiscal year was a negative \$658,363.

The Commuter Parking Lot Fund reported total operating income before depreciation expense of \$13,662. Operating revenue totaled \$78,214, a decrease of \$6,278 from the preceding year. Operating expenses excluding depreciation totaled \$64,552, an increase of \$12,815 from the prior year. The total change in net position reported for the current fiscal year was a positive \$13,705.

The internal service funds, which includes vehicle, technology, and the building replacement funds reported total operating income before depreciation expense of \$449,003. Operating revenues totaled \$498,545 and operating expenses excluding depreciation totaled \$49,542. The total change in net position reported for the current fiscal year was a positive \$348,480.

Fiduciary funds. The Village's fiduciary funds consist of five agency funds and one Police Pension Trust Fund. Net position held by the Police Pension Trust Fund totaled \$6,094,436 at April 30, 2016, a decrease of \$51,349 from the prior year. Additions to the pension trust fund totaled \$560,075 and deductions totaled \$611,424.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

General economic conditions are expected to improve in the fiscal year beginning May 1, 2016 and ending April 30, 2017. However, it is anticipated that no new development will occur in the near future. Although economic revenues are balanced with property tax revenues, certain tax revenues that are impacted by the economy will need to be monitored carefully, such as sales and income tax. Both revenue sources are expected to increase in the upcoming year.

In addition, Village officials considered many factors when setting the fiscal year 2016-2017 budget and the associated property tax rates and charges for services. These factors include anticipated consumer priced indexed costs, economic driven revenue sources, completion of capital projects along with future projects, larger contracts that may be up for renewal, and an assessment of future staffing needs.

CAPITAL ASSETS

The Village's investment in capital assets for its governmental and business type activities as of April 30, 2016 was \$71,526,828 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, land improvements, vehicles, machinery and equipment, streets and related infrastructure. The total decrease in the Village's investment in capital assets for the year ended April 30, 2016 was \$495,890.

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

Description	Governmental Activities		Business - Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$12,026,483	\$12,026,483	\$130,000	\$130,000	\$12,156,483	\$12,156,483
Construction in progress	2,722,933	2,243,786	61,245	526,016	2,784,178	2,769,802
Buildings	7,313,422	7,533,874	0	0	7,313,422	7,533,874
Land Improvements	303,891	311,904	0	0	303,891	311,904
Vehicles and Equipment	811,184	563,980	189,040	231,195	1,000,224	795,175
Infrastructure	15,462,388	15,527,873	32,506,242	32,927,607	47,968,630	48,455,480
Totals	\$38,640,301	\$38,207,900	\$32,886,527	\$33,814,818	\$71,526,828	\$72,022,718

Governmental activities capital assets increased \$432,401 from the prior year and business-type activities capital assets decreased \$928,291. The majority of the increase in the current fiscal year relates to the capitalization of construction in progress projects along with prior year's completed construction in progress projects in the infrastructure category.

Depreciation expense in the governmental and business-type activities totaled \$803,907 and \$1,212,868 respectively in the current fiscal year.

DEBT ADMINISTRATION

As of April 30, 2016, the Village had five general obligation bonds outstanding. At the end of the current fiscal year, the Village of Round Lake had \$12,940,000 of debt outstanding as shown by the table below.

Outstanding Debt Fiscal Year Ended April 30, 2016

General Obligation Bonds	Governmental Activities	Business Type Activities	Total
Series 2005	\$535,000	\$0	\$535,000
Series 2010A	\$9,100,000	\$0	\$9,100,000
Series 2010B	\$610,000	\$0	\$610,000
Series 2010C	0	620,000	620,000
Series 2011	2,075,000	0	2,075,000
Total	<u>\$12,320,000</u>	<u>\$620,000</u>	<u>\$12,940,000</u>

During the year the Village's total outstanding debt decreased by \$760,000. All the decrease was attributed to retirements of general obligation bonds. There were no new issuances during the fiscal year 2016.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

General economic conditions are expected to improve in the fiscal year beginning May 1, 2016 and ending April 30, 2017. However, it is anticipated that no new development will occur in the near future. Although economic revenues are balanced with property tax revenues, certain tax revenues that are impacted by the economy will need to be monitored carefully, such as sales and income tax. Both revenue sources are expected to increase in the upcoming year.

In addition, Village officials considered many factors when setting the fiscal year 2017 budget and the associated property tax rates and charges for services. These factors include anticipated consumer priced indexed costs, economic driven revenue sources, completion of capital projects along with future projects, larger contracts that may be up for renewal, and an assessment of future staffing needs.

REQUESTS FOR INFORMATION

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

VILLAGE OF ROUND LAKE, ILLINOIS

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

April 30, 2016

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash	\$ 8,625,497	\$ 3,890,135	\$ 12,515,632
Investments	988,611	3,321,874	4,310,485
Due from other funds	3,000	-	3,000
Capital assets not being depreciated	14,749,416	191,245	14,940,661
Capital assets (net of accumulated depreciation)	23,890,885	32,695,282	56,586,167
Total assets	48,257,409	40,098,536	88,355,945
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refunding	639,233	-	639,233
Total deferred outflows of resources	639,233	-	639,233
LIABILITIES			
Escrow deposits	15,147	-	15,147
Due to other funds	3,000	-	3,000
Other liabilities	-	72,057	72,057
Noncurrent liabilities			
Due within one year	725,000	115,000	840,000
Due within more than one year	11,691,710	505,000	12,196,710
Total liabilities	12,434,857	692,057	13,126,914
NET POSITION			
Net investment in capital assets	26,862,824	32,266,527	59,129,351
Restricted for			
Public safety	107,675	-	107,675
Streets	798,910	-	798,910
Working cash	673,612	-	673,612
Debt service	66,657	-	66,657
Specific purposes	134,525	-	134,525
Unrestricted	7,817,582	7,139,952	14,957,534
TOTAL NET POSITION	\$ 36,461,785	\$ 39,406,479	\$ 75,868,264

See accompanying notes to financial statements.

VILLAGE OF ROUND LAKE, ILLINOIS

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the Year Ended April 30, 2016

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 2,245,713	\$ 1,029,613	\$ -	\$ -
Public safety	3,770,768	190,471	21,827	-
Public works	1,543,020	-	606,176	101,560
Community development	253,018	-	-	-
Interest	579,956	-	-	-
Total governmental activities	8,392,475	1,220,084	628,003	101,560
Business-Type Activities				
Water and sewer	4,759,001	4,087,281	-	-
Parking lot	64,552	78,214	-	-
Total business-type activities	4,823,553	4,165,495	-	-
TOTAL PRIMARY GOVERNMENT	\$ 13,216,028	\$ 5,385,579	\$ 628,003	\$ 101,560

Net (Expense) Revenue and Change in Net Position			
Primary Government			
	Governmental Activities	Business-Type Activities	Total
	\$ (1,216,100)	\$ -	\$ (1,216,100)
	(3,558,470)	-	(3,558,470)
	(835,284)	-	(835,284)
	(253,018)	-	(253,018)
	(579,956)	-	(579,956)
	(6,442,828)	-	(6,442,828)
	-	(671,720)	(671,720)
	-	13,662	13,662
	-	(658,058)	(658,058)
	(6,442,828)	(658,058)	(7,100,886)
General Revenues			
Taxes			
Property	3,629,347	-	3,629,347
Replacement	25,283	-	25,283
Sales	498,338	-	498,338
Utility	767,403	-	767,403
Other	475,757	-	475,757
State-shared income taxes	1,952,865	-	1,952,865
Investment income	10,416	13,400	23,816
Miscellaneous	143,208	-	143,208
Total	7,502,617	13,400	7,516,017
CHANGE IN NET POSITION	1,059,789	(644,658)	415,131
NET POSITION, MAY 1	35,401,996	40,051,137	75,453,133
NET POSITION, APRIL 30	\$ 36,461,785	\$ 39,406,479	\$ 75,868,264

See accompanying notes to financial statements.

VILLAGE OF ROUND LAKE, ILLINOIS

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

April 30, 2016

	General	Nonmajor Governmental	Total
ASSETS			
Cash	\$ 4,987,079	\$ 2,996,653	\$ 7,983,732
Investments	887,373	101,238	988,611
Due from other funds	3,000	-	3,000
TOTAL ASSETS	\$ 5,877,452	\$ 3,097,891	\$ 8,975,343
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Escrow deposits	\$ 15,147	\$ -	\$ 15,147
Due to other funds	-	3,000	3,000
Total liabilities	15,147	3,000	18,147
FUND BALANCES			
Restricted			
Public safety	107,675	-	107,675
Streets	-	798,910	798,910
Working cash	-	673,612	673,612
Debt service	-	66,657	66,657
Specific purposes	-	134,525	134,525
Assigned			
Debt service	-	50,550	50,550
Capital projects	-	1,373,161	1,373,161
Unrestricted			
Unassigned	5,754,630	(2,524)	5,752,106
Total fund balances	5,862,305	3,094,891	8,957,196
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,877,452	\$ 3,097,891	\$ 8,975,343

See accompanying notes to financial statements.

VILLAGE OF ROUND LAKE, ILLINOIS

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

April 30, 2016

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 8,957,196
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	38,640,301
Less amount reported in internal service funds below	(718,120)
Unamortized loss on refunding is reported as a deferred outflow of resources on the statement of net position	639,233
Long-term liabilities, including installment contracts, are not due and payable in the current period and, therefore, are not reported in the governmental funds	
General obligation bonds	(12,320,000)
Unamortized premium	(96,710)
The net position of internal service funds are included in the governmental activities in the statement of net position	<u>1,359,885</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 36,461,785</u></u>

See accompanying notes to financial statements.

VILLAGE OF ROUND LAKE, ILLINOIS

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

For the Year Ended April 30, 2016

	General	Nonmajor Governmental	Total
REVENUES COLLECTED			
Taxes	\$ 3,605,376	\$ 791,374	\$ 4,396,750
Intergovernmental	2,973,620	707,736	3,681,356
Licenses and permits	112,650	-	112,650
Fines	188,721	-	188,721
Charges for service	919,163	-	919,163
Investment income	8,743	1,673	10,416
Miscellaneous	143,208	-	143,208
Total revenues collected	7,951,481	1,500,783	9,452,264
EXPENDITURES PAID			
Current			
General government	1,876,757	137,515	2,014,272
Public safety	3,960,017	-	3,960,017
Public works	902,561	102,146	1,004,707
Community development	277,412	-	277,412
Capital outlay	49,406	1,021,858	1,071,264
Debt service			
Principal retirement	-	645,000	645,000
Interest and fiscal charges	-	528,665	528,665
Total expenditures paid	7,066,153	2,435,184	9,501,337
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	885,328	(934,401)	(49,073)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	850,000	850,000
Transfers (out)	(850,000)	-	(850,000)
Total other financing sources (uses)	(850,000)	850,000	-
NET CHANGE IN FUND BALANCES	35,328	(84,401)	(49,073)
FUND BALANCES, MAY 1	5,826,977	3,179,292	9,006,269
FUND BALANCES, APRIL 30	\$ 5,862,305	\$ 3,094,891	\$ 8,957,196

See accompanying notes to financial statements.

VILLAGE OF ROUND LAKE, ILLINOIS

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

For the Year Ended April 30, 2016

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (49,073)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	832,496
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Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Depreciation	(803,907)
Amortization	(51,291)
Less amount reported in internal service funds below	138,084

The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	645,000
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The change in net position of internal service funds is in governmental funds	348,480
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 1,059,789</u>
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See accompanying notes to financial statements.

VILLAGE OF ROUND LAKE, ILLINOIS**STATEMENT OF ASSETS, LIABILITIES AND NET POSITION
ARISING FROM MODIFIED CASH BASIS
PROPRIETARY FUNDS**

April 30, 2016

	Water and Sewer	Nonmajor Enterprise	Total	Internal Service
ASSETS				
Cash	\$ 3,513,496	\$ 376,639	\$ 3,890,135	\$ 641,765
Investments	3,321,874	-	3,321,874	-
Capital assets not being depreciated	91,245	100,000	191,245	-
Capital assets (net of accumulated depreciation)	32,695,282	-	32,695,282	718,120
Total assets	39,621,897	476,639	40,098,536	1,359,885
LIABILITIES				
Current liabilities				
Other liabilities	72,057	-	72,057	-
Noncurrent liabilities				
Due within one year	115,000	-	115,000	-
Due within more than one year	505,000	-	505,000	-
Total liabilities	692,057	-	692,057	-
NET POSITION				
Net investment in capital assets	32,166,527	100,000	32,266,527	718,120
Unrestricted	6,763,313	376,639	7,139,952	641,765
TOTAL NET POSITION	\$ 38,929,840	\$ 476,639	\$ 39,406,479	\$ 1,359,885

See accompanying notes to financial statements.

VILLAGE OF ROUND LAKE, ILLINOIS

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

For the Year Ended April 30, 2016

	Water and Sewer	Nonmajor Enterprise	Total	Internal Service
OPERATING REVENUES				
Charges for services	\$ 4,087,281	\$ 78,214	\$ 4,165,495	\$ -
Interfund contributions	-	-	-	498,545
Total operating revenues	4,087,281	78,214	4,165,495	498,545
OPERATING EXPENSES				
Operations	3,522,325	64,552	3,586,877	49,542
Total operating expenses	3,522,325	64,552	3,586,877	49,542
OPERATING INCOME BEFORE DEPRECIATION	564,956	13,662	578,618	449,003
Depreciation	1,212,868	-	1,212,868	138,084
OPERATING INCOME (LOSS)	(647,912)	13,662	(634,250)	310,919
NON-OPERATING REVENUES (EXPENSES)				
Investment income	13,357	43	13,400	78
Insurance reimbursement	-	-	-	37,483
Interest expense	(23,808)	-	(23,808)	-
Total non-operating revenues (expenses)	(10,451)	43	(10,408)	37,561
CHANGE IN NET POSITION	(658,363)	13,705	(644,658)	348,480
NET POSITION, MAY 1	39,588,203	462,934	40,051,137	1,011,405
NET POSITION, APRIL 30	\$ 38,929,840	\$ 476,639	\$ 39,406,479	\$ 1,359,885

See accompanying notes to financial statements.

VILLAGE OF ROUND LAKE, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended April 30, 2016

	Water and Sewer	Nonmajor Enterprise	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 4,099,301	\$ 78,214	\$ 4,177,515	\$ -
Receipts from interfund services	-	-	-	498,545
Receipts from miscellaneous	-	-	-	37,483
Payments to suppliers	(3,388,660)	(64,552)	(3,453,212)	(49,542)
Payments for interfund services	(133,665)	-	(133,665)	-
Net cash from operating activities	576,976	13,662	590,638	486,486
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
None	-	-	-	-
Net cash from noncapital financing activities	-	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital assets purchased	(284,577)	-	(284,577)	(403,812)
Bond principal payments	(115,000)	-	(115,000)	-
Bond interest payments	(23,808)	-	(23,808)	-
Net cash from capital and related financing activities	(423,385)	-	(423,385)	(403,812)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	13,357	43	13,400	78
Purchase of investments	(11,515)	-	(11,515)	-
Net cash from investing activities	1,842	43	1,885	78
NET INCREASE IN CASH AND CASH EQUIVALENTS	155,433	13,705	169,138	82,752
CASH AND CASH EQUIVALENTS, MAY 1	3,358,063	362,934	3,720,997	559,013
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 3,513,496	\$ 376,639	\$ 3,890,135	\$ 641,765
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ (647,912)	\$ 13,662	\$ (634,250)	\$ 310,919
Other miscellaneous receipts	-	-	-	37,483
Adjustments to reconcile operating income (loss) to net cash from operating activities				
Depreciation	1,212,868	-	1,212,868	138,084
Other liabilities	12,020	-	12,020	-
NET CASH FROM OPERATING ACTIVITIES	\$ 576,976	\$ 13,662	\$ 590,638	\$ 486,486

See accompanying notes to financial statements.

VILLAGE OF ROUND LAKE, ILLINOIS

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

April 30, 2016

	Pension Trust Fund	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 581,526	\$ 1,432,749
Investments		
U.S. Treasury obligations	1,026,932	-
U.S. agency obligations	873,578	-
Corporate bonds	844,226	-
Money market mutual funds	157,518	-
Mutual funds	2,610,656	-
Total assets	6,094,436	\$ 1,432,749
LIABILITIES		
Deposits payable	-	\$ 37,271
Other payables	-	1,395,478
Total liabilities	-	\$ 1,432,749
NET POSITION RESTRICTED FOR PENSIONS	<u>\$ 6,094,436</u>	

See accompanying notes to financial statements.

VILLAGE OF ROUND LAKE, ILLINOIS

**STATEMENT OF ADDITIONS, DEDUCTIONS AND
CHANGES IN NET POSITION - MODIFIED CASH BASIS
PENSION TRUST FUND**

For the Year Ended April 30, 2016

ADDITIONS

Contributions - employer	\$ 448,626
Contributions - employee	<u>190,946</u>
Total contributions	<u>639,572</u>
Investment income	
Net appreciation in fair value of investments	(119,598)
Interest earned on investments	<u>60,682</u>
Total investment income	(58,916)
Less investment expense	<u>(20,581)</u>
Net investment income	<u>(79,497)</u>
Total additions	<u>560,075</u>

DEDUCTIONS

Benefits and refunds	
Retirement pension	276,681
Disability pension	87,799
Refund of contribution	233,743
Administrative	<u>13,201</u>
Total deductions	<u>611,424</u>

NET INCREASE (DECREASE)	(51,349)
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**NET POSITION RESTRICTED FOR
PENSIONS**

May 1	<u>6,145,785</u>
April 30	<u><u>\$ 6,094,436</u></u>

See accompanying notes to financial statements.

VILLAGE OF ROUND LAKE, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Reporting Entity

The Village is a body corporate and politic established under Illinois Compiled Statutes (ILCS) governed by an elected Mayor/Board of Trustees. These financial statements present the Village and its component units as required by GAAP.

The Village's financial statements include a pension trust fund:

Police Pension Employees Retirement System

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

b. Fund Accounting

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

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

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

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

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

c. Government-Wide and Fund Financial Statements

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The Village reports the following major governmental funds:

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

The Village reports the following major proprietary funds:

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

e. Cash and Investments

For purposes of the statement of cash flows, the Village considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, non-negotiable certificates of deposit and investments with a maturity of less than one year at date of purchase are stated at amortized cost. All other investments are stated at fair value. All investments of the pension trust fund are stated at fair value. Fair value has been based on quoted market prices at April 30, 2016 for debt and equity securities.

f. Interfund Receivables/Payables

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

g. Capital Assets

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Capital Assets (Continued)

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

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

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

h. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium.

In the fund financial statements, governmental funds recognize bond premiums and discounts, during the current period. The face amount of debt issued is reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures and expenses.

i. Fund Balance/Net Position

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Fund Balance/Net Position (Continued)

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

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

j. Deferred Outflows/Inflows of Resources

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

2. DEPOSITS AND INVESTMENTS

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

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

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

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

2. DEPOSITS AND INVESTMENTS (Continued)

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village's investment policy requires pledging of collateral at a minimum of 110% of all bank balances in excess of federal depository insurance with the collateral held by an agent of the Village in the Village's name.

Village Investments

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

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Village's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party custodian evidenced by safekeeping receipts. As of April 30, 2016, the investments were being held by the Village's counterparty, which is not in accordance with the investment policy.

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

The following table presents the investments and maturities of the Village's debt securities as of April 30, 2016:

	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Treasury	\$ 1,631,623	\$ 675,712	\$ 955,911	\$ -	\$ -
U.S. agency securities	2,670,009	1,724,719	945,290	-	-
TOTAL	\$ 4,301,632	\$ 2,400,431	\$ 1,901,201	\$ -	\$ -

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

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

3. PROPERTY TAX CALENDAR

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

- The property tax lien date is January 1;
- Property taxes are due to the County Collector in two installments, June 1 and September 1; and
- Property taxes for 2015 were levied in December 2015 and are normally received monthly beginning in June and generally ending by December 2016.

4. CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year ended April 30, 2016 was as follows:

	Balances May 1	Increases	Decreases	Balances April 30
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 12,026,483	\$ -	\$ -	\$ 12,026,483
Construction in progress	2,243,786	766,964	287,817	2,722,933
Total capital assets not being depreciated	14,270,269	766,964	287,817	14,749,416
Capital assets being depreciated				
Buildings	9,785,456	-	-	9,785,456
Land improvements	877,587	22,900	-	900,487
Vehicles and equipment	2,208,625	426,369	192,169	2,442,825
Infrastructure	18,318,398	307,892	-	18,626,290
Total capital assets being depreciated	31,190,066	757,161	192,169	31,755,058
Less accumulated depreciation for				
Buildings	2,251,582	220,452	-	2,472,034
Land improvements	565,683	30,913	-	596,596
Vehicles and equipment	1,644,645	179,165	192,169	1,631,641
Infrastructure	2,790,525	373,377	-	3,163,902
Total accumulated depreciation	7,252,435	803,907	192,169	7,864,173
Total capital assets being depreciated, net	23,937,631	(46,746)	-	23,890,885
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 38,207,900	\$ 720,218	\$ 287,817	\$ 38,640,301

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

4. CAPITAL ASSETS (Continued)

Governmental Activities (Continued)

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

GOVERNMENTAL ACTIVITIES

General government	\$ 256,250
Public safety	83,633
Public works	458,465
Community Development	<u>5,559</u>
TOTAL	<u>\$ 803,907</u>

Business-Type Activities

Business-type capital asset activity for the year ended April 30, 2016 was as follows:

	Balances May 1	Increases	Decreases	Balances April 30
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Construction in progress	\$ 526,016	\$ 253,688	\$ 718,459	\$ 61,245
Land	<u>130,000</u>	<u>-</u>	<u>-</u>	<u>130,000</u>
Total capital assets not being depreciated	<u>656,016</u>	<u>253,688</u>	<u>718,459</u>	<u>191,245</u>
Capital assets being depreciated				
Infrastructure	45,150,166	718,459	-	45,868,625
Vehicles and equipment	<u>919,065</u>	<u>30,889</u>	<u>-</u>	<u>949,954</u>
Total capital assets being depreciated	<u>46,069,231</u>	<u>749,348</u>	<u>-</u>	<u>46,818,579</u>
Less accumulated depreciation for				
Infrastructure	12,222,559	1,139,824	-	13,362,383
Vehicles and equipment	<u>687,870</u>	<u>73,044</u>	<u>-</u>	<u>760,914</u>
Total accumulated depreciation	<u>12,910,429</u>	<u>1,212,868</u>	<u>-</u>	<u>14,123,297</u>
Total capital assets being depreciated, net	<u>33,158,802</u>	<u>(463,520)</u>	<u>-</u>	<u>32,695,282</u>
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 33,814,818</u>	<u>\$ (209,832)</u>	<u>\$ 718,459</u>	<u>\$ 32,886,527</u>

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

5. LONG-TERM DEBT

A summary of long-term debt of the Village for the year ended April 30, 2016 consisted of the following:

a. General Obligation Bonds

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
General Obligation (Alternate Revenue Source) Bonds, Series 2005, are due in annual installments ranging from \$35,000 to \$275,000 through January 1, 2018, interest rates range from 2.6% to 4.1%, and payments are due semiannually on January 1 and July 1.	2005 Bonds Debt Service	\$ 780,000	\$ -	\$ 245,000	\$ 535,000	\$ 260,000
General Obligation (Alternate Revenue Source) Refunding Bonds, Series 2010A, are due in annual installments ranging from \$50,000 to \$1,320,000 through January 1, 2029, interest rates range from 3.60% to 4.65%, and payments are due semiannually on January 1 and July 1.	2010 Bonds Debt Service	9,100,000	-	-	9,100,000	50,000
General Obligation (Alternate Revenue Source) Refunding Bonds, Series 2010B, are due in annual installments ranging from \$105,000 to \$255,000 through January 1, 2021, interest rates range from 2.25% to 3.60%, and payments are due semiannually on January 1 and July 1.	2010 Bonds Debt Service	720,000	-	110,000	610,000	115,000
General Obligation (Alternate Revenue Source) Refunding Bonds, Series 2010C, are due in annual installments ranging from \$105,000 to \$135,000 through January 1, 2021, interest rates range from 2.0% to 3.7%, and payments are due semiannually on January 1 and July 1.	Water and Sewer	735,000	-	115,000	620,000	115,000

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

5. LONG-TERM DEBT (Continued)

a. General Obligation Bonds (Continued)

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
General Obligation (Alternate Revenue Source) Refunding Bonds, Series 2011, are due in annual installments ranging from \$20,000 to \$500,000 through January 1, 2022, interest rates range from 2% to 4%, and payments are due semiannually on January 1 and July 1.	2011 Bonds Debt Service	\$ 2,365,000	\$ -	\$ 290,000	\$ 2,075,000	\$ 300,000
TOTAL		\$ 13,700,000	\$ -	\$ 760,000	\$ 12,940,000	\$ 840,000

b. Long-Term Liabilities Summarized

Transactions for the year ended April 30, 2016 are summarized as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental Activities					
General obligation bonds	\$ 12,965,000	\$ -	\$ 645,000	\$ 12,320,000	\$ 725,000
Unamortized premium on bonds	112,828	-	16,118	96,710	-
Total governmental activities	13,077,828	-	661,118	12,416,710	725,000
Business-Type Activities					
General obligation bonds	735,000	-	115,000	620,000	115,000
Total business-type activities	735,000	-	115,000	620,000	115,000
TOTAL	\$ 13,812,828	\$ -	\$ 776,118	\$ 13,036,710	\$ 840,000

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

5. LONG-TERM DEBT (Continued)

c. Debt Service to Maturity

The annual requirements to amortize all debt outstanding of the Village as of April 30, 2016 are as follows:

Bonds

Fiscal Year	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 725,000	\$ 506,635	\$ 1,231,635	\$ 115,000	\$ 20,458	\$ 135,458
2018	755,000	481,885	1,236,885	120,000	17,583	137,583
2019	625,000	455,785	1,080,785	125,000	13,683	138,683
2020	915,000	433,880	1,348,880	125,000	9,620	134,620
2021	990,000	400,568	1,390,568	135,000	4,995	139,995
2022-2026	4,675,000	1,428,602	6,103,602	-	-	-
2027-2029	3,635,000	342,958	3,977,958	-	-	-
TOTAL	\$ 12,320,000	\$ 4,050,313	\$ 16,370,313	\$ 620,000	\$ 66,339	\$ 686,339

d. Special Service Area Debt without Village Obligation

Special Service Area #1 - The Village issued special tax bonds in the fiscal year ended 2003 in the amount of \$12,600,000 for improvements within Special Service Area (SSA) #1. During the fiscal year ended 2007, the Village, as agent for Lakewood Grove Special Service Area #1, issued Special Tax Refunding Bonds, Series 2007 with a face value of \$13,000,000, bearing interest ranging from 5% to 9%. A portion of the sale of the bonds has been deposited into an escrow account to be used to advance refund the Prior SSA One Bonds. These bonds are payable by tax levy from the SSA #1 only, and are not village obligations. No SSA One Bonds were outstanding at April 30, 2016, and Refunding Bonds outstanding at April 30, 2016 were \$11,395,000.

Special Service Area #3 - The Village issued special tax bonds in the fiscal year ended 2004 in the amount of \$3,570,000 for improvements within SSA #3. During the fiscal year ended 2007, the Village, as agent for Lakewood Grove Special Service Area #3, issued Special Tax Refunding Bonds, Series 2007 with a face value of \$4,040,000, bearing interest ranging from 4.7% to 5.5%. A portion of the sale of the bonds has been deposited into an escrow account to be used to advance refund Prior SSA Three Bonds. These bonds are payable by tax levy from the SSA #3 only, and are not village obligations. No SSA Three Bonds were outstanding at April 30, 2016, and Refunding Bonds outstanding at April 30, 2016 were \$3,380,000.

5. LONG-TERM DEBT (Continued)

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

Special Service Area #4 - The Village issued special tax bonds in the fiscal year ended 2004 in the amount of \$5,040,000 for improvements within SSA #4. During the fiscal year ended 2007, the Village, as agent for Lakewood Grove Special Service Area #4, issued Special Tax Refunding Bonds, Series 2007 with a face value of \$5,750,000 and an interest rate of 6.75%. A portion of the sale of the bonds has been deposited into an escrow account to be used to advance refund Prior SSA Four Bonds. These bonds are payable by tax levy from the SSA #4 only, and are not village obligations. No SSA Four Bonds were outstanding at April 30, 2016, and Refunding Bonds outstanding at April 30, 2016 were \$4,841,000.

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

e. Alternate Revenue Bonds

The Village has pledged future simplified telecommunications tax, electric utility tax and natural gas tax revenues (collectively, the utility taxes) to repay the General Obligation (Alternate Revenue Source) Bonds, Series 2005 and the General Obligation (Alternate Revenue Source) Refunding Bonds, Series 2010A, 2010B and 2011. The bonds are payable from the utility taxes and ad valorem taxes and are payable through 2029. The total principal and interest remaining to be paid on the bonds is \$16,370,313. Principal and interest paid for the current year and total net revenues, excluding ad valorem taxes, were \$1,171,765 and \$767,403, respectively. The current year principal and interest of \$1,171,765 was 152.7% of the pledged revenue.

The Village has pledged future water and sewer revenue to repay the General Obligation (Alternate Revenue Source) Refunding Bonds, Series 2010C. The bonds are payable from the water and sewer revenues and ad valorem taxes and are payable through 2021. The total principal and interest remaining to be paid on the bonds is \$686,339. Principal and interest paid for the current year and total net revenues were \$138,333 and \$4,088,173, respectively. The current year principal and interest of \$138,333 was 3.4% of the pledged water and sewer revenues.

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

6. INTERFUND ACTIVITY

Interfund transfers during the year ended April 30, 2016 consisted of the following:

	Transfer In	Transfer Out
General Fund	\$ -	\$ 850,000
Nonmajor Governmental Funds	850,000	-
TOTAL	<u>\$ 850,000</u>	<u>\$ 850,000</u>

Significant transfers between funds for the year ended April 30, 2016 consist of the following:

- \$325,000 transferred to the Nonmajor Governmental Funds (Capital Projects Fund) from the General Fund to support future capital projects.
- \$525,000 transferred to Nonmajor Governmental Funds (Debt Service Funds) from the General Fund to support debt service payments. The transfers will not be repaid.

Interfund payables and receivables at April 30, 2016 consisted of the following:

	Payable Fund	Receivable Fund
General Fund	\$ -	\$ 3,000
Nonmajor Governmental	3,000	-
TOTAL	<u>\$ 3,000</u>	<u>\$ 3,000</u>

Interfund payables and receivables at April 30, 2016 consist of the following:

- \$3,000 payable to the General Fund from Nonmajor Governmental (2011 Debt Service Fund) as a result of the General Fund provided additional funding. Repayment is expected within one year.

7. RISK MANAGEMENT

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

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

7. RISK MANAGEMENT (Continued)

Illinois Public Risk Fund

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

8. COMMITMENTS AND CONTINGENCIES

a. Litigation

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

b. Grants

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

c. The Village's contract with Solid Waste Agency of Lake County (SWALCO) provides that each member is liable for its proportionate share of any costs arising from defaults in payment obligations by other members.

d. Construction Contracts

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

	Purpose	Expended to Date	Total Commitment
Hart and Sunset Road	Reconstruct roads and storm sewers	\$ 1,471,130	\$ 1,770,492
MacGillis Drive Bridge	Reconstruction of bridge	22,622	340,360
Second JAWA Connection	Establish second connection point to JAWA	-	25,900
Forest Avenue	Reconstruction of road	350,449	401,400
Long Lake East	Reconstruction of road	163,487	201,667
Nippersink	Reconstruction of road	29,485	29,988
Nippersink	Reconstruction of watermain	5,907	6,012
Cambridge Lift Station	Lift station replacement	43,576	47,500
Well #3	Establish reliable emergency water source	4,991	5,000

9. JOINT VENTURES

Solid Waste Agency of Lake County (SWALCO)

Description of Joint Venture

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

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

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

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

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

The Village does not have an equity interest in SWALCO at April 30, 2016.

CenCom E-911 Joint Emergency Telephone System

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

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

At April 30, 2016, CenCom had eight members. Each member is represented on the Board of Directors, which governs CenCom and establishes the budget.

9. JOINT VENTURES (Continued)

CenCom E-911 Joint Emergency Telephone System (Continued)

CenCom is financed by a telephone surcharge. In addition, participating members pay a share of operating costs for dispatching services. Payments to CenCom during the current fiscal year totaled \$260,199. The entity is not considered a component unit of the Village. The Village does not have an equity interest in CenCom at April 30, 2016.

10. EMPLOYEE RETIREMENT SYSTEMS

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

a. Plan Descriptions

Illinois Municipal Retirement Fund

Plan Administration

All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Plan Membership

At December 31, 2015, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	19
Inactive employees entitled to but not yet receiving benefits	18
Active employees	23
TOTAL	60

Benefits Provided

All employees (other than those covered by the Police or Firefighters' Pension Plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

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

IMRF also provides death and disability benefits. These benefit provisions and all are established by state statute.

Contributions

Participating members are required to contribute 4.5% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution for the year ended December 31, 2015 was 9.86% of covered payroll.

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions

The Village's net pension liability was measured as of December 31, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2015
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	4.00%
Salary increases	0.40% to 10.00%
Interest rate	7.50%
Cost of living adjustments	3.00%
Asset valuation method	Market value

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.49%. 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 the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members.

Therefore, the long-term expected rate of return on pension plan investments of 7.50% was blended with the index rate of 3.57% for tax exempt general obligation bonds rated AA or better at December 31, 2015 to arrive at a discount rate of 7.49% used to determine the total pension liability.

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2015	\$ 6,003,380	\$ 5,805,072	\$ 198,308
Changes for the period			
Service cost	156,071	-	156,071
Interest	446,139	-	446,139
Difference between expected and actual experience	116,639	-	116,639
Changes in assumptions	7,603	-	7,603
Employer contributions	-	142,234	(142,234)
Employee contributions	-	64,914	(64,914)
Net investment income	-	28,879	(28,879)
Benefit payments and refunds	(265,786)	(265,786)	-
Other (net transfer)	-	13,604	(13,604)
Net changes	460,666	(16,155)	476,821
BALANCES AT DECEMBER 31, 2015	\$ 6,464,046	\$ 5,788,917	\$ 675,129

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability (Continued)

Changes in assumptions related to retirement age and mortality were made since the prior measurement date.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

At April 30, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 86,752	\$ -
Changes in assumption	5,655	-
Net difference between projected and actual earnings on pension plan investments	323,850	-
Employer contributions after the measurement date	43,044	-
TOTAL	<u>\$ 459,301</u>	<u>\$ -</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF would be amortized in a full accrual entity as follows:

<u>Year Ending April 30,</u>	
2017	\$ 155,842
2018	112,798
2019	109,700
2020	80,961
2021	-
Thereafter	-
TOTAL	<u>\$ 459,301</u>

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 7.49% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.49%) or 1 percentage point higher (8.49%) than the current rate:

	1% Decrease (6.49%)	Current Discount Rate (7.49%)	1% Increase (8.49%)
Net pension liability	\$ 1,526,956	\$ 675,129	\$ 64

The net pension liability and deferred outflows of resources are not reported on the Village's financial statements as the Village reports on the modified cash basis of accounting as discussed in Note 1d.

Sheriff's Law Enforcement Personnel

Plan Administration

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Plan Membership

At December 31, 2015, SLEP membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	1
Inactive employees entitled to but not yet receiving benefits	-
Active employees	-
TOTAL	<u>1</u>

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Sheriff's Law Enforcement Personnel (Continued)

Benefits Provided

SLEP having accumulated at least 20 years of SLEP service and terminating IMRF participation or after January 1, 1988, may elect to retire at or after age 50 with no early retirement discount penalty. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. SLEP members meeting the two qualifications described in the first sentence of this paragraph are entitled to an annual retirement benefit payable monthly for life, in an amount equal to 2 1/2% of their final rate of earnings for each year of credited. For SLEP members retiring with less than 20 years of SLEP service, the regular IMRF pension formula applies.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 55 with ten years of Tier 2 service credit are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2 1/2% of their final rate of earnings for each year of credited. The pension for participating members who retire between age 50 and 55 will be reduced by 1/2% for each month under age 55. SLEP also provides death and disability benefits. These benefit provisions and all other requirements are established by ILCS.

Contributions

Participating members are required to contribute 6.5% of their annual salary to SLEP. The Village is required to contribute the remaining amounts necessary to fund the SLEP as specified by statute. The employer contribution rate for the year ended December 31, 2015 was 0.00% of covered payroll.

Actuarial Assumptions

The Village's net pension liability was measured as of December 31, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Sheriff's Law Enforcement Personnel (Continued)

Actuarial Assumptions (Continued)

Actuarial valuation date	December 31, 2015
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.75%
Salary increases	3.75% to 14.50%
Interest rate	7.50%
Cost of living adjustments	3.00%
Asset valuation method	Market Value

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. 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 the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the SLEP's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Sheriff's Law Enforcement Personnel (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Asset
BALANCES AT JANUARY 1, 2015	\$ 104,115	\$ 115,303	\$ (11,188)
Changes for the period			
Service cost	-	-	-
Interest	7,809	-	7,809
Difference between expected and actual experience	(22,438)	-	(22,438)
Changes in assumptions	-	-	-
Employer contributions	-	-	-
Employee contributions	-	-	-
Net investment income	-	577	(577)
Benefit payments and refunds	-	-	-
Administrative expense	-	-	-
Other (net transfer)	-	(14,151)	14,151
Net changes	(14,629)	(13,574)	(1,055)
BALANCES AT DECEMBER 31, 2015	\$ 89,486	\$ 101,729	\$ (12,243)

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Sheriff's Law Enforcement Personnel (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

At April 30, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to SLEP from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes in assumption	-	-
Net difference between projected and actual earnings on pension plan investments	6,032	-
TOTAL	\$ 6,032	\$ -

Amounts reported as deferred outflows of resources and deferred inflows of resources related to SLEP would be amortized in a full accrual entity as follows:

Year Ended April 30,	
2017	\$ 1,508
2018	1,508
2019	1,508
2020	1,508
2021	-
Thereafter	-
TOTAL	\$ 6,032

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Sheriff's Law Enforcement Personnel (Continued)

Discount Rate Sensitivity

The following is a sensitive 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 7.50% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability (asset)	\$ (2,328)	\$ (12,243)	\$ (20,520)

The net pension asset and deferred outflows of resources are not reported on the Village's financial statements as the Village reports on the modified cash basis of accounting as discussed in Note 1d.

Police Pension Plan

Plan Administration

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

The plan is governed by a five-member Board of Trustees. Two members of the Board of Trustees are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active police employees.

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Plan Membership

At April 30, 2016, the measurement date, membership consisted of:

Inactive plan members currently receiving benefits	8
Inactive plan members entitled to benefits but not yet receiving them	-
Active plan members	
Vested	13
Nonvested	13
TOTAL	34

Benefits Provided

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive 2.5% of salary for each year of service. The monthly benefit 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.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit 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. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55).

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided (Continued)

The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later.

Contributions

Employees are required by ILCS 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 and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. The Village has chosen a policy to fund 100% of the past service costs by 2040. For the year ended April 30, 2016, the Village's contribution was 23.66% of covered payroll.

Investment Policy

ILCS limits the Police Pension Fund's (the Fund) investments to those allowable by ILCS and requires the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Fund's investment policy authorizes the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, investment grade corporate bonds and Illinois Funds. The Fund may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds and corporate equity securities and real estate investment trusts. The investment policy was not modified during the year ended April 30, 2016.

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Policy (Continued)

The Fund's investment policy, in accordance with ILCS, establishes the following target allocation across asset classes:

Asset Class	Range	Target	Long-Term Expected Real Rate of Return
Equity	0-75%	45.00%	7.0%
Fixed Income	0-55%	55.00%	2.8%

The overall target for the Fund is approximately 55% invested in fixed income securities and 45% invested in equity securities. The long-term expected real rates of return are net of a 2% factor for inflation and investment expense. ILCS limit the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Fund's investments was determined using the Asset Management and Trust Division of the investment management consultant's proprietary research and analytical tools in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. Best estimates or arithmetic real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of April 30, 2016 are listed in the table above.

Investment Valuations

All investments in the plan are stated at fair value and are recorded as of the trade date. Fair value is based on quoted market prices at April 30 for debt securities, equity securities, mutual funds and contract values for insurance contracts. Illinois Funds, an investment pool created by the state legislature under the control of the State Treasurer, is a money market mutual fund that maintains a \$1 per share value.

Investment Concentrations

There are no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of the Fund's investments.

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Rate of Return

For the year ended April 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (1.42%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fund's investment policy requires all bank balances to be covered by federal depository insurance.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The following table presents the investments and maturities of the Fund's debt securities as of April 30, 2016:

	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Treasury	\$ 1,026,932	\$ 187,927	\$ 762,984	\$ 76,021	\$ -
U.S. agency securities	873,578	231,530	91,384	29,522	521,142
Corporate bonds	844,226	136,016	638,719	69,491	-
TOTAL	\$ 2,744,736	\$ 555,473	\$ 1,493,087	\$ 175,034	\$ 521,142

In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows. The investment policy does not limit the maximum maturity length of investments in the Fund.

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Credit Risk

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in U.S. Treasury obligations and other obligations which are rated in the top three classes by a national rating agency. The U.S. agency obligations are rated AA+. The corporate bonds are rated A3- to AA2.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party.

To limit its exposure, the Fund requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Fund's agent separate from where the investment was purchased in the Fund's name. The money market mutual funds and equity mutual funds are not subject to custodial credit risk. The pension fund's investments are held by the counterparty and are covered by a portion of the counterparty's excess SIPC insurance. However, the insurance is aggregate across all of the counterparty's clients; therefore, the pension fund's assets may not be 100% insured.

Discount Rate

The discount rate used to measure the total pension liability was 7%. 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 the Village contributions will be made at rates equal to the difference between 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 projected future benefit payments of current plan members.

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT MAY 1, 2015	\$ 10,237,087	\$ 6,145,785	\$ 4,091,302
Changes for the period			
Service cost	506,982	-	506,982
Interest	695,658	-	695,658
Difference between expected and actual experience	(41,056)	-	(41,056)
Changes in assumptions	804,160	-	804,160
Employer contributions	-	448,626	(448,626)
Employee contributions	-	190,946	(190,946)
Net investment income	-	(79,497)	79,497
Benefit payments and refunds	(598,223)	(598,223)	-
Administrative expense	-	(13,201)	13,201
Net changes	1,367,521	(51,349)	1,418,870
BALANCES AT APRIL 30, 2016	\$ 11,604,608	\$ 6,094,436	\$ 5,510,172

There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to salary assumptions.

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2016 using the following actuarial methods and assumptions.

Actuarial valuation date	April 30, 2016
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	5.50%
Interest rate	7.00%
Cost of living adjustments	3.00% (Tier 1) 2.00% (Tier 2)
Asset valuation method	Market

Mortality rates were based on the RP 2014 Mortality Table (BCHA) projected using improvement scale MP-2015. The other non-economic actuarial assumptions used in the April 30, 2016 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

Discount Rate Sensitivity

The following is a sensitive 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 7% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6%) or 1 percentage point higher (8%) than the current rate:

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Net pension liability	\$ 7,314,508	\$ 5,510,172	\$ 4,048,637

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

At April 30, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 41,056
Changes in assumptions	804,160	-
Net difference between projected and actual earnings on pension plan investments	510,687	-
TOTAL	<u>\$ 1,314,847</u>	<u>\$ 41,056</u>

Changes in the net pension liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in pension expense over the expected remaining service life of all employees (active and retired) in the plan. Differences in projected and actual earnings over the measurement period are recognized over a five-year period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the police pension would be amortized in a full accrual entity as follows:

Year Ending April 30,	
2017	\$ 223,264
2018	223,264
2019	223,264
2020	223,264
2021	223,266
Thereafter	<u>157,469</u>
TOTAL	<u>\$ 1,273,791</u>

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

The net pension liability and deferred outflows and inflows of resources are not reported on the Village's financial statements as the Village reports on the modified cash basis of accounting as discussed in Note 1d.

11. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

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

b. Benefits Provided

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

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

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

c. Membership

At April 30, 2016, membership consisted of:

Retirees and beneficiaries currently receiving benefits	1
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	42
TOTAL	43
Participating Employers	1

d. Funding Policy

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

e. Annual OPEB Costs and Net OPEB Obligation

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for 2016 and the two preceding years is as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 25,694	\$ 13,268	51.64%	\$ 67,502
2015	34,241	13,268	38.75%	88,475
2016	65,225	30,642	46.98%	123,058

The net OPEB obligation as of April 30, 2016 was calculated as follows:

Annual required contribution	\$ 64,635
Interest on net OPEB obligation	3,539
Adjustment to annual required contribution	(2,949)
Annual OPEB cost	65,225
Contributions made	(30,642)
Increase in net OPEB obligation	34,583
Net OPEB obligation, beginning of year	88,475
NET OPEB OBLIGATION, END OF YEAR	\$ 123,058

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

Funded Status and Funding Progress: The funded status of the Plan as of April 30, 2016 was as follows:

Actuarial accrued liability (AAL)	\$	465,415
Actuarial value of plan assets		-
Unfunded actuarial accrued liability (UAAL)		465,415
Funded ratio (actuarial value of plan assets/AAL)		0.00%
Covered payroll (active plan members)	\$	2,898,417
UAAL as a percentage of covered payroll		16.1%

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

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

In the April 30, 2016 actuarial valuation, the entry-age normal actuarial cost method was used. The actuarial assumptions included an investment rate of return of 4.0% and an initial healthcare cost trend rate of 5.5% with an ultimate healthcare inflation rate of 5%. Both rates include a 2.5% inflation assumption and 4.0% wage inflation assumption. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2016 was 30 years.

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

12. SUBSEQUENT EVENT

At the Village's October 17, 2016 Board of Trustees meeting, ordinances were adopted to provide for the issuance of bonds not to exceed \$12,400,000 for the Lakewood Grove Special Service Area Number One Special Tax Refunding Bonds, Series 2016, \$3,800,000 Lakewood Grove Special Service Area Number Three Special Tax Refunding Bonds, Series 2016, and \$5,400,000 Lakewood Grove Special Service Area Number Four Special Tax Refunding Bonds, Series 2016. Each of the preceding bonds will refunding existing non general obligation debt described in Note 5d. The bonds are expected to be priced the week of November 10, 2016 and the closing is expected on or about December 2, 2016. The refunding bonds will not be a general obligation of the Village.

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

MAJOR GOVERNMENTAL FUNDS

VILLAGE OF ROUND LAKE, ILLINOIS

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

For the Year Ended April 30, 2016

	Original Budget	Final Budget	Actual
REVENUES COLLECTED			
Property taxes	\$ 3,127,179	\$ 3,127,179	\$ 3,605,376
Charges for service	628,900	628,900	642,082
Licenses and permits	91,000	91,000	112,650
Intergovernmental	2,729,502	2,729,502	2,973,620
Fines	183,625	183,625	188,721
Franchise fees	258,500	258,500	277,081
Investment income	12,353	12,353	8,743
Miscellaneous income	163,000	163,000	143,208
Total revenues collected	7,194,059	7,194,059	7,951,481
EXPENDITURES PAID			
Current			
General government	2,047,807	2,047,807	1,876,757
Public safety	3,779,732	3,779,732	3,960,017
Public works	1,050,102	1,050,102	902,561
Community development	298,713	298,713	277,412
Capital outlay	63,389	63,389	49,406
Total expenditures paid	7,239,743	7,239,743	7,066,153
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	(45,684)	(45,684)	885,328
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(850,000)	(850,000)	(850,000)
NET CHANGE IN FUND BALANCE	\$ (895,684)	\$ (895,684)	35,328
FUND BALANCE, MAY 1			5,826,977
FUND BALANCE, APRIL 30			\$ 5,862,305

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS**DETAILED SCHEDULE OF EXPENDITURES PAID -
BUDGET AND ACTUAL - CASH BASIS
GENERAL FUND**

For the Year Ended April 30, 2016

	Original Budget	Final Budget	Actual
EXPENDITURES PAID			
General government			
Administration			
Personal services	\$ 349,285	\$ 349,285	\$ 338,745
Taxes, pensions and insurance	95,925	95,925	93,605
Contractual services	1,496,094	1,496,094	1,372,652
Commodities	19,200	19,200	8,406
Repairs and replacement	51,008	51,008	42,078
Miscellaneous	36,295	36,295	21,271
Total administration	2,047,807	2,047,807	1,876,757
Capital outlay	6,485	6,485	6,518
Public safety			
Police			
Personal services	2,323,683	2,323,683	2,239,325
Taxes, pensions and insurance	484,400	484,400	904,404
Contractual services	550,364	550,364	469,276
Commodities	119,746	119,746	74,089
Repairs and replacement	61,403	61,403	36,067
Miscellaneous	240,136	240,136	236,856
Total police	3,779,732	3,779,732	3,960,017
Capital outlay	14,637	14,637	7,466
Public works			
Public works department			
Personal services	349,500	349,500	294,350
Taxes, pensions and insurance	122,000	122,000	101,262
Contractual services	156,301	156,301	127,819
Commodities	178,125	178,125	149,027
Repairs and replacement	244,176	244,176	230,103
Total public works	1,050,102	1,050,102	902,561
Capital outlay	42,267	42,267	35,422

(This schedule is continued on the following page.)

VILLAGE OF ROUND LAKE, ILLINOIS

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

For the Year Ended April 30, 2016

	Original Budget	Final Budget	Actual
EXPENDITURES PAID (Continued)			
Community development			
Building department			
Personal services	\$ 176,500	\$ 176,500	\$ 174,700
Taxes, pensions and insurance	64,570	64,570	61,114
Contractual services	23,378	23,378	12,427
Commodities	8,395	8,395	4,903
Repairs and replacement	25,870	25,870	24,268
Total building department	298,713	298,713	277,412
TOTAL EXPENDITURES PAID	\$ 7,239,743	\$ 7,239,743	\$ 7,066,153

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

VILLAGE OF ROUND LAKE, ILLINOIS

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

April 30, 2016

	Special Revenue		Capital Projects
	Bright Meadows SSA #1	Motor Fuel Tax	Capital Projects
ASSETS			
Cash	\$ 134,525	\$ 798,910	\$ 1,273,151
Investments	-	-	100,010
TOTAL ASSETS	\$ 134,525	\$ 798,910	\$ 1,373,161
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Due to other funds	\$ -	\$ -	\$ -
Total liabilities	-	-	-
FUND BALANCES			
Assigned			
Debt service	-	-	-
Capital projects	-	-	1,373,161
Restricted			
Working cash	-	-	-
Streets	-	798,910	-
Debt service	-	-	-
Specific purpose	134,525	-	-
Unassigned	-	-	-
Total fund balances	134,525	798,910	1,373,161
TOTAL LIABILITIES AND FUND BALANCES	\$ 134,525	\$ 798,910	\$ 1,373,161

		Debt Service		Permanent			
2005 Bonds	2010 Bonds	2011 Bonds					
Debt Service	Debt Service	Debt Service	Working Cash			Total	
\$ 66,657	\$ 49,322	\$ 476	\$ 673,612	\$ 2,996,653			
-	1,228	-	-	101,238			
\$ 66,657	\$ 50,550	\$ 476	\$ 673,612	\$ 3,097,891			
\$ -	\$ -	\$ 3,000	\$ -	\$ 3,000			
-	-	3,000	-	3,000			
-	50,550	-	-	50,550			
-	-	-	-	1,373,161			
-	-	-	673,612	673,612			
-	-	-	-	798,910			
66,657	-	-	-	66,657			
-	-	-	-	134,525			
-	-	(2,524)	-	(2,524)			
66,657	50,550	(2,524)	673,612	3,094,891			
\$ 66,657	\$ 50,550	\$ 476	\$ 673,612	\$ 3,097,891			

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

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

For the Year Ended April 30, 2016

	Special Revenue		Capital Projects
	Bright Meadows SSA #1	Motor Fuel Tax	Capital Projects
REVENUES COLLECTED			
Property taxes	\$ 23,971	\$ -	\$ -
Utility taxes	-	-	79,303
Intergovernmental	-	657,914	49,822
Investment income	16	898	503
Total revenues collected	23,987	658,812	129,628
EXPENDITURES PAID			
Current			
General government	15,660	-	110,655
Public works	2	102,144	-
Capital outlay	-	566,347	455,511
Debt service			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures paid	15,662	668,491	566,166
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	8,325	(9,679)	(436,538)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	325,000
Total other financing sources (uses)	-	-	325,000
NET CHANGE IN FUND BALANCES	8,325	(9,679)	(111,538)
FUND BALANCES, MAY 1	126,200	808,589	1,484,699
FUND BALANCES (DEFICIT), APRIL 30	\$ 134,525	\$ 798,910	\$ 1,373,161

		Debt Service		Permanent		
2005 Bonds		2010 Bonds		2011 Bonds		
Debt Service		Debt Service		Debt Service	Working Cash	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,971
331,432		7,930		348,738	-	767,403
-		-		-	-	707,736
220		24		12	-	1,673
331,652		7,954		348,750	-	1,500,783
-		-		11,200	-	137,515
-		-		-	-	102,146
-		-		-	-	1,021,858
245,000		110,000		290,000	-	645,000
32,080		415,085		81,500	-	528,665
277,080		525,085		382,700	-	2,435,184
54,572		(517,131)		(33,950)	-	(934,401)
-		525,000		-	-	850,000
-		525,000		-	-	850,000
54,572		7,869		(33,950)	-	(84,401)
12,085		42,681		31,426	673,612	3,179,292
\$ 66,657	\$ 50,550	\$ (2,524)	\$ 673,612	\$ 3,094,891		

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

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

For the Year Ended April 30, 2016

	Original Budget	Final Budget	Actual
REVENUES COLLECTED			
Property taxes	\$ 23,730	\$ 23,730	\$ 23,971
Investment income	63	63	16
Total revenues collected	23,793	23,793	23,987
EXPENDITURES PAID			
Current			
General government			
Contractual services	21,568	21,568	15,660
Public works			
Contractual services	10	10	2
Total expenditures paid	21,578	21,578	15,662
NET CHANGE IN FUND BALANCE	<u>\$ 2,215</u>	<u>\$ 2,215</u>	8,325
FUND BALANCE, MAY 1			<u>126,200</u>
FUND BALANCE, APRIL 30			<u>\$ 134,525</u>

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

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

For the Year Ended April 30, 2016

	Original Budget	Final Budget	Actual
REVENUES COLLECTED			
Intergovernmental			
Motor fuel tax	\$ 483,424	\$ 483,424	\$ 516,546
Other	271,600	271,600	141,368
Investment income	450	450	898
Total revenues collected	755,474	755,474	658,812
EXPENDITURES PAID			
Current			
Public works			
Contractual services	500	500	-
Commodities	106,275	106,275	77,144
Administrative charges	25,000	25,000	25,000
Capital outlay	1,230,251	1,230,251	566,347
Total expenditures paid	1,362,026	1,362,026	668,491
NET CHANGE IN FUND BALANCE	<u><u>\$ (606,552)</u></u>	<u><u>\$ (606,552)</u></u>	(9,679)
FUND BALANCE, MAY 1			<u>808,589</u>
FUND BALANCE, APRIL 30			<u><u>\$ 798,910</u></u>

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

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

For the Year Ended April 30, 2016

	Original Budget	Final Budget	Actual
REVENUES COLLECTED			
Utility tax	\$ 117,500	\$ 117,500	\$ 79,303
Intergovernmental	53,839	53,839	49,822
Investment income	750	750	503
Total revenues collected	172,089	172,089	129,628
EXPENDITURES PAID			
Current			
General government			
Contractual services	132,421	132,421	110,655
Capital outlay	655,065	655,065	455,511
Total expenditures paid	787,486	787,486	566,166
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	(615,397)	(615,397)	(436,538)
OTHER FINANCING SOURCES (USES)			
Transfers in	325,000	325,000	325,000
NET CHANGE IN FUND BALANCE	<u>\$ (290,397)</u>	<u>\$ (290,397)</u>	(111,538)
FUND BALANCE, MAY 1			<u>1,484,699</u>
FUND BALANCE, APRIL 30			<u>\$ 1,373,161</u>

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

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

For the Year Ended April 30, 2016

	Original Budget	Final Budget	Actual
REVENUES COLLECTED			
Utility taxes	\$ 326,000	\$ 326,000	\$ 331,432
Investment income	9	9	220
Total revenues collected	326,009	326,009	331,652
EXPENDITURES PAID			
Debt service			
Principal	245,000	245,000	245,000
Interest and fiscal charges	32,156	32,156	32,080
Total expenditures paid	277,156	277,156	277,080
NET CHANGE IN FUND BALANCE	<u>\$ 48,853</u>	<u>\$ 48,853</u>	54,572
FUND BALANCE, MAY 1			<u>12,085</u>
FUND BALANCE, APRIL 30			<u>\$ 66,657</u>

(See independent auditor's report.)

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

For the Year Ended April 30, 2016

	Original Budget	Final Budget	Actual
REVENUES COLLECTED			
Utility taxes	\$ 11,750	\$ 11,750	\$ 7,930
Investment income	23	23	24
Total revenues collected	11,773	11,773	7,954
EXPENDITURES PAID			
Debt service			
Principal	110,000	110,000	110,000
Interest and fiscal charges	415,385	415,385	415,085
Total expenditures paid	525,385	525,385	525,085
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	(513,612)	(513,612)	(517,131)
OTHER FINANCING SOURCES (USES)			
Transfers in	525,000	525,000	525,000
Total other financing sources (uses)	525,000	525,000	525,000
NET CHANGE IN FUND BALANCE	<u>\$ 11,388</u>	<u>\$ 11,388</u>	7,869
FUND BALANCE, MAY 1			<u>42,681</u>
FUND BALANCE, APRIL 30			<u>\$ 50,550</u>

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

**SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CASH BASIS
2011 BONDS DEBT SERVICE FUND**

For the Year Ended April 30, 2016

	Original Budget	Final Budget	Actual
REVENUES COLLECTED			
Utility taxes	\$ 389,750	\$ 389,750	\$ 348,738
Investment income	17	17	12
Total revenues collected	389,767	389,767	348,750
EXPENDITURES PAID			
Current			
General government			
Rebates	10,000	12,000	11,200
Debt service			
Principal	290,000	290,000	290,000
Interest and fiscal charges	81,775	81,775	81,500
Total expenditures paid	381,775	383,775	382,700
NET CHANGE IN FUND BALANCE	<u>\$ 7,992</u>	<u>\$ 5,992</u>	(33,950)
FUND BALANCE, MAY 1			<u>31,426</u>
FUND BALANCE (DEFICIT), APRIL 30			<u>\$ (2,524)</u>

(See independent auditor's report.)

ENTERPRISE FUNDS

VILLAGE OF ROUND LAKE, ILLINOIS

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

For the Year Ended April 30, 2016

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Water and sewer fees	\$ 4,028,000	\$ 4,028,000	\$ 4,087,281
Total operating revenues	4,028,000	4,028,000	4,087,281
OPERATING EXPENSES EXCLUDING DEPRECIATION			
Water and sewer operations			
Personal services	565,450	565,450	484,048
Taxes, pensions and insurance	181,040	181,040	151,772
Contractual services	2,568,244	2,568,244	2,509,273
Commodities	82,966	82,966	154,259
Repairs and replacement	274,131	274,131	167,731
Capital outlay	1,679,649	1,679,649	339,819
Total operating expenses excluding depreciation	5,351,480	5,351,480	3,806,902
OPERATING INCOME (LOSS)	(1,323,480)	(1,323,480)	280,379
NON-OPERATING REVENUES (EXPENSES)			
Investment income	50,359	50,359	13,357
Debt service			
Principal	(115,000)	(115,000)	(115,000)
Interest expense	(24,033)	(24,033)	(23,808)
Total non-operating revenues (expenses)	(88,674)	(88,674)	(125,451)
NET INCOME (LOSS) - BUDGETARY BASIS	\$ (1,412,154)	\$ (1,412,154)	154,928
ADJUSTMENTS TO MODIFIED CASH BASIS			
Debt principal payment			115,000
Capitalized assets			284,577
Depreciation			(1,212,868)
Total adjustments to modified cash basis			(813,291)
CHANGE IN NET POSITION			(658,363)
NET POSITION, MAY 1			39,588,203
NET POSITION, APRIL 30			\$ 38,929,840

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS**SCHEDULE OF REVENUES COLLECTED, EXPENSES PAID AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL - MODIFIED CASH BASIS
COMMUTER PARKING LOT FUND**

For the Year Ended April 30, 2016

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Parking lot fees	\$ 84,000	\$ 84,000	\$ 78,214
Total operating revenues	84,000	84,000	78,214
OPERATING EXPENSES			
Parking lot operations			
Contractual services	12,050	12,050	10,130
Commodities	1,850	1,850	1,604
Repairs and replacement	37,000	37,000	30,612
Capital outlay	233,000	233,000	19,460
Miscellaneous	2,852	2,852	2,746
Total operating expenses	286,752	286,752	64,552
OPERATING INCOME (LOSS)	(202,752)	(202,752)	13,662
NON-OPERATING REVENUES (EXPENSES)			
Investment income	178	178	43
Total non-operating revenues (expenses)	178	178	43
CHANGE IN NET POSITION	<u>\$ (202,574)</u>	<u>\$ (202,574)</u>	13,705
NET POSITION, MAY 1			<u>462,934</u>
NET POSITION, APRIL 30			<u>\$ 476,639</u>

(See independent auditor's report.)

INTERNAL SERVICE FUNDS

VILLAGE OF ROUND LAKE, ILLINOIS

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

April 30, 2016

	Vehicle Replacement	Technology Replacement	Building Replacement	Total
ASSETS				
Cash	\$ 154,283	\$ 162,150	\$ 325,332	\$ 641,765
Capital assets (net of accumulated depreciation)	634,650	83,470	-	718,120
Total assets	788,933	245,620	325,332	1,359,885
LIABILITIES				
None	-	-	-	-
Total liabilities	-	-	-	-
NET POSITION				
Net investment in capital assets	634,650	83,470	-	718,120
Unrestricted	154,283	162,150	325,332	641,765
TOTAL NET POSITION	\$ 788,933	\$ 245,620	\$ 325,332	\$ 1,359,885

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

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

For the Year Ended April 30, 2016

	Vehicle Replacement	Technology Replacement	Building Replacement	Total
OPERATING REVENUES				
Contributions	\$ 315,541	\$ 86,384	\$ 96,620	\$ 498,545
Total operating revenues	315,541	86,384	96,620	498,545
OPERATING EXPENSES				
Capital outlay	15,694	31,391	2,457	49,542
Total operating expenses	15,694	31,391	2,457	49,542
OPERATING INCOME BEFORE DEPRECIATION	299,847	54,993	94,163	449,003
Depreciation	126,183	11,901	-	138,084
OPERATING INCOME	173,664	43,092	94,163	310,919
NON-OPERATING REVENUES (EXPENSES)				
Investment income	23	21	34	78
Miscellaneous	37,483	-	-	37,483
Total non-operating revenues (expenses)	37,506	21	34	37,561
CHANGE IN NET POSITION	211,170	43,113	94,197	348,480
NET POSITION, MAY 1	577,763	202,507	231,135	1,011,405
NET POSITION, APRIL 30	\$ 788,933	\$ 245,620	\$ 325,332	\$ 1,359,885

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS**

For the Year Ended April 30, 2016

	Vehicle Replacement	Technology Replacement	Building Replacement	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from interfund services	\$ 315,541	\$ 86,384	\$ 96,620	\$ 498,545
Receipts from miscellaneous	37,483	-	-	37,483
Payments to suppliers	(15,694)	(31,391)	(2,457)	(49,542)
Net cash from operating activities	337,330	54,993	94,163	486,486
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
None	-	-	-	-
Net cash from noncapital financing activities	-	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital assets purchased	(350,253)	(53,559)	-	(403,812)
Net cash from capital and related financing activities	(350,253)	(53,559)	-	(403,812)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	23	21	34	78
Net cash from investing activities	23	21	34	78
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(12,900)	1,455	94,197	82,752
CASH AND CASH EQUIVALENTS, MAY 1	167,183	160,695	231,135	559,013
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 154,283	\$ 162,150	\$ 325,332	\$ 641,765
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income	\$ 173,664	\$ 43,092	\$ 94,163	\$ 310,919
Other miscellaneous receipts	37,483	-	-	37,483
Adjustments to reconcile operating income to net cash from operating activities				
Depreciation	126,183	11,901	-	138,084
NET CASH FROM OPERATING ACTIVITIES	\$ 337,330	\$ 54,993	\$ 94,163	\$ 486,486

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS**SCHEDULE OF REVENUES COLLECTED, EXPENSES PAID AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL - MODIFIED CASH BASIS
VEHICLE REPLACEMENT FUND**

For the Year Ended April 30, 2016

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Contributions			
General Fund	\$ 217,001	\$ 217,001	\$ 217,001
Water and Sewer Fund	98,540	98,540	98,540
Total operating revenues	315,541	315,541	315,541
OPERATING EXPENSES EXCLUDING DEPRECIATION			
Capital outlay	441,497	441,497	365,947
Total operating expenses excluding depreciation	441,497	441,497	365,947
OPERATING INCOME (LOSS)	(125,956)	(125,956)	(50,406)
NON-OPERATING REVENUES (EXPENSES)			
Investment income	81	81	23
Miscellaneous	-	-	37,483
Total non-operating revenues (expenses)	81	81	37,506
NET INCOME (LOSS) - BUDGETARY BASIS	<u>\$ (125,875)</u>	<u>\$ (125,875)</u>	<u>(12,900)</u>
ADJUSTMENTS TO MODIFIED CASH BASIS			
Capitalized assets			350,253
Depreciation			<u>(126,183)</u>
Total adjustments to modified cash basis			<u>224,070</u>
CHANGE IN NET POSITION			211,170
NET POSITION, MAY 1			<u>577,763</u>
NET POSITION, APRIL 30			<u><u>\$ 788,933</u></u>

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

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

For the Year Ended April 30, 2016

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Contributions			
General Fund	\$ 67,475	\$ 67,475	\$ 67,475
Water and Sewer Fund	18,909	18,909	18,909
Fines	15,000	15,000	-
Total operating revenues	101,384	101,384	86,384
OPERATING EXPENSES EXCLUDING DEPRECIATION			
Capital outlay	99,200	99,200	84,950
Total operating expenses excluding depreciation	99,200	99,200	84,950
OPERATING INCOME (LOSS)	2,184	2,184	1,434
NON-OPERATING REVENUES (EXPENSES)			
Investment income	80	80	21
Total non-operating revenues (expenses)	80	80	21
NET INCOME - BUDGETARY BASIS	<u>\$ 2,264</u>	<u>\$ 2,264</u>	1,455
ADJUSTMENTS TO MODIFIED CASH BASIS			
Capitalized assets			53,559
Depreciation			(11,901)
Total adjustments to modified cash basis			41,658
CHANGE IN NET POSITION			43,113
NET POSITION, MAY 1			202,507
NET POSITION, APRIL 30			<u>\$ 245,620</u>

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS**SCHEDULE OF REVENUES COLLECTED, EXPENSES PAID AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL - MODIFIED CASH BASIS
BUILDING REPLACEMENT FUND**

For the Year Ended April 30, 2016

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Contributions			
General Fund	\$ 80,404	\$ 80,404	\$ 80,404
Water and Sewer Fund	16,216	16,216	16,216
Total operating revenues	96,620	96,620	96,620
OPERATING EXPENSES			
Capital outlay	135,280	135,280	2,457
Total operating expenses	135,280	135,280	2,457
OPERATING INCOME (LOSS)	(38,660)	(38,660)	94,163
NON-OPERATING REVENUES (EXPENSES)			
Investment income	116	116	34
Total non-operating revenues (expenses)	116	116	34
CHANGE IN NET POSITION	\$ (38,544)	\$ (38,544)	94,197
NET POSITION, MAY 1			231,135
NET POSITION, APRIL 30			\$ 325,332

(See independent auditor's report.)

FIDUCIARY FUNDS

VILLAGE OF ROUND LAKE, ILLINOIS

**SCHEDULE OF ADDITIONS, DEDUCTIONS AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL - CASH BASIS
POLICE PENSION FUND**

For the Year Ended April 30, 2016

	Original Budget	Final Budget	Actual
ADDITIONS			
Contributions - employer	\$ 447,750	\$ 447,750	\$ 448,626
Contributions - employee	180,000	180,000	190,946
Contributions - other	250	250	-
Total contributions	628,000	628,000	639,572
Investment income			
Net appreciation in fair value of investments	35,000	35,000	(119,598)
Interest earned on investments	65,000	65,000	60,682
Total investment income	100,000	100,000	(58,916)
Less investment expense	(23,500)	(23,500)	(20,581)
Net investment income	76,500	76,500	(79,497)
Total additions	704,500	704,500	560,075
DEDUCTIONS			
Benefits and refunds			
Retirement pension	276,696	276,696	276,681
Disability pension	87,800	87,800	87,799
Refund of contribution	5,000	255,000	233,743
Administrative	25,550	25,550	13,201
Total deductions	395,046	645,046	611,424
NET INCREASE (DECREASE)	<u>\$ 309,454</u>	<u>\$ 59,454</u>	(51,349)
NET POSITION RESTRICTED FOR PENSIONS			
May 1			<u>6,145,785</u>
April 30			<u>\$ 6,094,436</u>

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

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

For the Year Ended April 30, 2016

	Balances			Balances
	May 1	Additions	Deductions	April 30
Total All Agency Funds				
ASSETS				
Cash and investments	\$ 1,473,776	\$ 2,420,497	\$ 2,461,524	\$ 1,432,749
TOTAL ASSETS	\$ 1,473,776	\$ 2,420,497	\$ 2,461,524	\$ 1,432,749
LIABILITIES				
Deposits payable	\$ 60,764	\$ 27,945	\$ 51,438	\$ 37,271
Other payables	1,412,987	2,391,357	2,408,866	1,395,478
Due to other funds	25	-	25	-
TOTAL LIABILITIES	\$ 1,473,776	\$ 2,419,302	\$ 2,460,329	\$ 1,432,749
1. Builders Escrow Fund				
ASSETS				
Cash and investments	\$ 60,786	\$ 29,140	\$ 52,655	\$ 37,271
TOTAL ASSETS	\$ 60,786	\$ 29,140	\$ 52,655	\$ 37,271
LIABILITIES				
Deposits payable	\$ 60,764	\$ 27,945	\$ 51,438	\$ 37,271
Due to other funds	22	-	22	-
TOTAL LIABILITIES	\$ 60,786	\$ 27,945	\$ 51,460	\$ 37,271
2. Impact Fee Fund				
ASSETS				
Cash and investments	\$ 3	\$ -	\$ 3	\$ -
TOTAL ASSETS	\$ 3	\$ -	\$ 3	\$ -
LIABILITIES				
Due to other funds	\$ 3	\$ -	\$ 3	\$ -
TOTAL LIABILITIES	\$ 3	\$ -	\$ 3	\$ -

(This statement is continued on the following page.)

VILLAGE OF ROUND LAKE, ILLINOIS

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

For the Year Ended April 30, 2016

	Balances				Balances
	May 1	Additions	Deductions		April 30
3. Lakewood Grove SSA #1 Fund					
ASSETS					
Cash and investments	\$ 796,931	\$ 966,099	\$ 970,009	\$ 793,021	
TOTAL ASSETS	<u>\$ 796,931</u>	<u>\$ 966,099</u>	<u>\$ 970,009</u>	<u>\$ 793,021</u>	
LIABILITIES					
Other payables	\$ 796,931	\$ 966,099	\$ 970,009	\$ 793,021	
TOTAL LIABILITIES	<u>\$ 796,931</u>	<u>\$ 966,099</u>	<u>\$ 970,009</u>	<u>\$ 793,021</u>	
4. Lakewood Grove SSA #3 Fund					
ASSETS					
Cash and investments	\$ 266,037	\$ 1,020,957	\$ 1,029,796	\$ 257,198	
TOTAL ASSETS	<u>\$ 266,037</u>	<u>\$ 1,020,957</u>	<u>\$ 1,029,796</u>	<u>\$ 257,198</u>	
LIABILITIES					
Other payables	\$ 266,037	\$ 1,020,957	\$ 1,029,796	\$ 257,198	
TOTAL LIABILITIES	<u>\$ 266,037</u>	<u>\$ 1,020,957</u>	<u>\$ 1,029,796</u>	<u>\$ 257,198</u>	
5. Lakewood Grove SSA #4 Fund					
ASSETS					
Cash and investments	\$ 350,019	\$ 404,301	\$ 409,061	\$ 345,259	
TOTAL ASSETS	<u>\$ 350,019</u>	<u>\$ 404,301</u>	<u>\$ 409,061</u>	<u>\$ 345,259</u>	
LIABILITIES					
Other payables	\$ 350,019	\$ 404,301	\$ 409,061	\$ 345,259	
TOTAL LIABILITIES	<u>\$ 350,019</u>	<u>\$ 404,301</u>	<u>\$ 409,061</u>	<u>\$ 345,259</u>	

(See independent auditor's report.)

SUPPLEMENTARY DATA

VILLAGE OF ROUND LAKE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2016

	<u>2016</u>
Actuarially determined contribution	\$ 141,324
Contributions in relation to the actuarially determined contribution	<u>141,324</u>
CONTRIBUTION DEFICIENCY (Excess)	<u><u>\$ -</u></u>
Covered-employee payroll	\$ 1,442,533
Contributions as a percentage of covered-employee payroll	9.80%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of December 31, 2013. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed, and the amortization period was 28 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.5% annually, projected salary increases assumption of 4.4% to 16.0% compounded annually, and postretirement benefit increases of 3.0% compounded annually.

VILLAGE OF ROUND LAKE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
SHERIFF'S LAW ENFORCEMENT PERSONNEL PLAN

April 30, 2016

	<u>2016</u>
Actuarially determined contribution	\$ -
Contributions in relation to the actuarially determined contribution	<u>-</u>
CONTRIBUTION DEFICIENCY (Excess)	<u><u>\$ -</u></u>
Covered-employee payroll	\$ -
Contributions as a percentage of covered-employee payroll	0.00%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of December 31, 2013. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed, and the amortization period was 28 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.5% annually, projected salary increases assumption of 4.4% to 16.0% compounded annually, and postretirement benefit increases of 3.0% compounded annually.

VILLAGE OF ROUND LAKE, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND**

April 30, 2016

	2015	2016
Actuarially determined contribution	\$ 433,165	\$ 442,597
Contributions in relation to the actuarially determined contribution	500,165	448,626
CONTRIBUTION DEFICIENCY (Excess)	\$ (67,000)	\$ (6,029)
Covered-employee payroll	\$ 1,781,110	\$ 1,896,217
Contributions as a percentage of covered-employee payroll	28%	24%

Notes to Required Supplementary Information

This information directly above is presented in accordance with GASB Statement No. 68. The information presented was determined as part of the actuarial valuations as of April 30, 2016. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 25 years; the asset valuation method was at market value; and the significant actuarial assumptions were an investment rate of return at 7.0%, projected salary increases assumption of 5.5% compounded annually and postretirement benefit increases of 2.5% compounded annually.

VILLAGE OF ROUND LAKE, ILLINOIS

SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFIT PLAN

April 30, 2016

Schedule of Funding Progress

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2011	N/A	N/A	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A	N/A	N/A
2013	\$ -	\$ 285,903	0.00%	\$ 285,903	\$ 2,707,531	10.56%
2014	N/A	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A	N/A
2016	-	465,415	0.00%	465,415	2,898,417	16.06%

Schedule of Employer Contributions

Fiscal Year April 30,	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2011	\$ 17,845	\$ 25,241	70.70%
2012	9,088	25,241	36.00%
2013	3,061	25,091	12.20%
2014	13,268	25,091	52.88%
2015	13,268	25,091	52.88%
2016	30,642	64,225	47.71%

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

**SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND**

April 30, 2016

	<u>2015*</u>
TOTAL PENSION LIABILITY	
Service cost	\$ 156,071
Interest	446,139
Changes of benefit terms	-
Differences between expected and actual experience	116,639
Changes of assumptions	7,603
Benefit payments, including refunds of member contributions	<u>(265,786)</u>
Net change in total pension liability	460,666
Total pension liability - beginning	<u>6,003,380</u>
TOTAL PENSION LIABILITY - ENDING	<u><u>\$ 6,464,046</u></u>
PLAN FIDUCIARY NET POSITION	
Contributions - employer	\$ 142,234
Contributions - member	64,914
Net investment income	28,879
Benefit payments, including refunds of member contributions	(265,786)
Other	<u>13,604</u>
Net change in plan fiduciary net position	(16,155)
Plan fiduciary net position - beginning	<u>5,805,072</u>
PLAN FIDUCIARY NET POSITION - ENDING	<u><u>\$ 5,788,917</u></u>
EMPLOYER'S NET PENSION LIABILITY	<u><u>\$ 675,129</u></u>
Plan fiduciary net position as a percentage of the total pension liability	89.6%
Covered-employee payroll	\$ 1,442,533
Employer's net pension liability as a percentage of covered-employee payroll	46.8%

Changes in assumptions related to retirement age and mortality were made since the prior measurement date.

*IMRF's measurement date is December 31, 2015; therefore, information above is presented for the calendar year ended December 31, 2015.

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

**SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
SHERIFF'S LAW ENFORCEMENT PERSONNEL PLAN**

April 30, 2016

	2015*
TOTAL PENSION LIABILITY	
Service cost	\$ -
Interest	7,809
Changes of benefit terms	-
Differences between expected and actual experience	(22,438)
Changes of assumptions	-
Benefit payments, including refunds of member contributions	-
Net change in total pension liability	(14,629)
Total pension liability - beginning	104,115
TOTAL PENSION LIABILITY - ENDING	\$ 89,486
PLAN FIDUCIARY NET POSITION	
Contributions - employer	\$ -
Contributions - member	-
Net investment income	577
Benefit payments, including refunds of member contributions	-
Other	(14,151)
Net change in plan fiduciary net position	(13,574)
Plan fiduciary net position - beginning	115,303
PLAN FIDUCIARY NET POSITION - ENDING	\$ 101,729
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ (12,243)
Plan fiduciary net position as a percentage of the total pension liability	113.7%
Covered-employee payroll	\$ -
Employer's net pension liability as a percentage of covered-employee payroll	0.0%

*IMRF's measurement date is December 31, 2015; therefore, information above is presented for the calendar year ended December 31, 2015.

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS POLICE PENSION FUND

April 30, 2016

	2015	2016
TOTAL PENSION LIABILITY		
Service cost	\$ 450,642	\$ 506,982
Interest	623,169	695,658
Changes of benefit terms	-	-
Differences between expected and actual experience	(217,513)	(41,056)
Changes of assumptions	655,591	804,160
Benefit payments, including refunds of member contributions	(354,433)	(598,223)
Net change in total pension liability	1,157,456	1,367,521
Total pension liability - beginning	9,079,631	10,237,087
TOTAL PENSION LIABILITY - ENDING	\$ 10,237,087	\$ 11,604,608
PLAN FIDUCIARY NET POSITION		
Contributions - employer	\$ 500,165	\$ 448,626
Contributions - member	176,922	190,946
Net investment income	288,128	(79,497)
Benefit payments, including refunds of member contributions	(354,432)	(598,223)
Administrative expense	(14,021)	(13,201)
Net change in plan fiduciary net position	596,762	(51,349)
Plan fiduciary net position - beginning	5,549,023	6,145,785
PLAN FIDUCIARY NET POSITION - ENDING	\$ 6,145,785	\$ 6,094,436
EMPLOYER'S NET PENSION LIABILITY	\$ 4,091,302	\$ 5,510,172
Plan fiduciary net position as a percentage of the total pension liability	60.0%	52.5%
Covered-employee payroll	\$ 1,781,110	\$ 1,896,217
Employer's net pension liability as a percentage of covered-employee payroll	229.7%	290.6%

Note: Assumption changes during 2016 included changes to the mortality tables.

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

**SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND**

April 30, 2016

	2015	2016
Annual money-weighted rate of return, net of investment expense	5.43%	(1.42%)

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

NOTES TO SUPPLEMENTARY DATA

April 30, 2016

BUDGETS

The Village prepares its budget ordinance (cash basis) in conformity with practices prescribed or permitted by the applicable statutes of the State of Illinois. The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Administrator submits to the Board of Trustees a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures/expenses and the means of financing them. The proposed budget is used to prepare the tentative budget ordinance.
2. The Annual Budget Ordinance is made available for public inspection for 30 days, after which a public hearing is conducted to obtain taxpayer comments.
3. Before April 30, the Annual Budget Ordinance is adopted. The current year's budget was adopted on April 18, 2016. A budget amendment was made to the 2011 Debt Service Fund and Police Pension Fund.
4. The legal spending limit is established at the fund level.
5. The budget is the legal spending limit. The budget columns are the working budget on which staff relies during the year and are presented for information purposes.
6. There were no funds that had an excess of actual expenditures/expenses over budget for the fiscal year.

VILLAGE OF ROUND LAKE, ILLINOIS

SCHEDULE OF TAX DATA

For the Last Nine Levy Years

	Levy Year		
	2015	2014	2013
ASSESSED VALUATION	\$ 258,514,982	\$ 242,779,911	\$ 251,520,156
TAX RATES BY FUND			
Corporate	0.381	0.412	0.398
Municipal audit	0.008	0.008	0.009
Road and bridge	0.021	0.023	0.021
Garbage	0.144	0.149	0.139
Retirement	0.134	0.135	0.130
Working cash	-	-	-
Liability insurance	0.067	0.064	0.048
Civil defense/ES&DA	0.002	0.002	0.002
Police protection	0.456	0.484	0.440
Police pension	0.176	0.185	0.199
TOTAL TAX RATES BY FUND	1.389	1.462	1.386
TAX EXTENSIONS BY FUND			
Corporate	\$ 986,098	\$ 1,001,052	\$ 1,001,050
Municipal audit	20,025	20,627	22,637
Road and bridge	53,862	56,983	52,819
Garbage	371,194	362,271	349,613
Retirement	346,702	327,277	326,976
Working cash	-	-	-
Liability insurance	173,732	155,675	120,730
Civil defense/ES&DA	4,573	4,574	5,030
Police protection	1,175,002	1,175,001	1,106,689
Police pension	456,196	450,002	500,525
TOTAL TAX EXTENSIONS BY FUND	\$ 3,587,384	\$ 3,553,462	\$ 3,486,069
TAX COLLECTIONS - ALL FUNDS			
Levy collections through year end	\$ -	\$ 3,542,137	\$ 3,478,510
PERCENT COLLECTED	N/A	99.68%	99.78%

Levy Year					
2012	2011	2010	2009	2008	2007
\$ 275,111,595	\$ 321,967,538	\$ 363,428,091	\$ 404,464,351	\$ 421,556,835	\$ 407,703,238
0.433	0.396	0.399	0.433	0.416	0.386
0.008	0.007	0.006	0.006	0.006	0.008
0.019	0.034	0.030	0.022	0.021	0.029
0.126	0.078	0.069	0.049	0.076	0.078
0.122	0.098	0.084	0.098	0.091	0.118
0.003	0.002	0.001	0.001	0.002	0.003
0.037	0.043	0.046	0.039	0.041	0.050
0.002	0.002	0.001	0.001	0.001	0.001
0.338	0.288	0.274	0.147	0.116	0.083
0.156	0.123	0.087	0.073	0.057	0.068
1.244	1.071	0.997	0.869	0.827	0.824
\$ 1,191,233	\$ 1,274,991	\$ 1,450,078	\$ 1,751,331	\$ 1,753,676	\$ 1,573,735
22,009	22,538	21,806	24,268	25,293	32,616
52,271	109,469	109,028	88,982	88,527	80,992
346,641	251,135	250,766	198,188	320,383	318,009
335,636	315,528	305,280	396,375	383,617	481,090
8,253	6,439	3,634	4,044	8,431	12,231
101,791	138,446	167,177	157,741	172,838	203,852
5,502	6,439	3,634	4,044	4,216	4,077
929,877	927,267	995,793	594,563	489,006	338,394
429,174	396,020	316,182	295,259	240,287	277,238
\$ 3,422,387	\$ 3,448,272	\$ 3,623,378	\$ 3,514,795	\$ 3,486,274	\$ 3,322,234
\$ 3,410,038	\$ 3,443,199	\$ 3,600,578	\$ 3,503,869	\$ 3,481,655	\$ 3,319,067
99.64%	99.85%	99.37%	99.69%	99.87%	99.90%

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

SCHEDULE OF ASSESSED VALUATION BY TYPE OF PROPERTY

For the Last Ten Levy Years

Tax Levy Year	Real Estate	Assessed Value
2006	\$ 377,475,750	\$ 377,475,750
2007	407,703,238	407,703,238
2008	421,556,835	421,556,835
2009	404,464,351	404,464,351
2010	363,428,091	363,428,091
2011	321,967,538	321,967,538
2012	275,111,595	275,111,595
2013	251,520,156	251,520,156
2014	242,779,911	242,779,911
2015	258,514,982	258,514,982

(See independent auditor's report.)

VILLAGE OF ROUND LAKE, ILLINOIS

**AUDITOR'S COMMUNICATION TO THE
MEMBERS OF THE BOARD OF TRUSTEES
AND MANAGEMENT**

For the Year Ended
April 30, 2016



VILLAGE OF ROUND LAKE, ILLINOIS
AUDITOR'S COMMUNICATION TO THE
MEMBERS OF THE BOARD OF TRUSTEES
AND MANAGEMENT
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1415 W. Diehl Road, Suite 400
Naperville, Illinois 60563

630.566.8400 // www.sikich.com

Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

October 20, 2016

The Honorable President
Members of the Village Board
Village of Round Lake
442 North Cedar Lake Road
Round Lake, Illinois 60073

Ladies and Gentlemen:

As part of our audit process we are required to have certain communications with those charged with governance at the beginning of our audit process and at the conclusion of the audit. Those communications include information related to the planned scope and timing of our audit, as well as other information required by audit standards. Our communication at the beginning of our audit process along with our questionnaire regarding consideration of fraud in a financial statement audit was sent to you on June 10, 2016.

In addition, auditing standards require the communication of internal control related matters to management. Our communication of these matters is enclosed within this document.

This information is intended solely for the use of the President, Village Board and Management of the Village of Round Lake and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Sikich LLP

Sikich LLP
By: Daniel A. Berg, CPA
Partner



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Naperville, Illinois 60563

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Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

October 20, 2016

The Honorable President
Members of the Village Board
Village of Round Lake, Illinois

We have audited the 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 (the Village) for the year ended April 30, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 25, 2016. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Village are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended April 30, 2016, except for the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, which established standards for measuring and disclosing liabilities, deferred inflows and outflows of resources, and expenses; and modified certain disclosures in the notes to financial statements and the required supplementary information. Our opinion is not modified with respect to these matters. We noted no transactions entered into by the Village during the year for which there is a lack of authoritative guidance or consensus.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates, including the IMRF, SLEP and Police Pension net pension liabilities, are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We noted no particularly sensitive estimates made by management during our audit of the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, AJE#01 of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 20, 2016.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Village's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Village's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We were engaged to report on supplementary information (combining and individual fund financial statements and schedules), which accompany the financial statements. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information

complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the Introductory Section and supplementary data which accompany the financial statements. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the President, Village Board and management of the Village and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Sikich LLP

Sikich LLP

By: Daniel A. Berg, CPA.

Partner

Village of Round Lake

Year End: April 30, 2016

Adjusting Journal Entries

Date: 5/1/2015 To 4/30/2016

Number	Date	Name	Account No	Amount
AJE#01	4/30/2016	Real Estate Taxes - Police Pension	01-05-50-55002 GF-01	(448,626.04)
AJE#01	4/30/2016	Police Pension Contribution	01-40-71-67117 GF-01	448,626.04

To record revenue and expenditure in the General Fund for the
Police Pension property taxes and pension contributions

VILLAGE OF ROUND LAKE, ILLINOIS

**COMMUNICATION OF DEFICIENCIES
IN INTERNAL CONTROL AND
OTHER COMMENTS TO MANAGEMENT**

April 30, 2016



1415 W. Diehl Road, Suite 400
Naperville, Illinois 60563

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Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

The Honorable President
Members of the Village Board
Village of Round Lake, Illinois

As part of the annual audit, we are required to communicate internal control matters that we classify as significant deficiencies and material weaknesses to those charged with governance. A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected, on a timely basis.

During our audit, we also identify certain matters which we communicate only to management. While many of these matters are operational in nature, they may include internal control deficiencies that do not meet the definition of a significant deficiency or material weakness. We have chosen to communicate these matters in this communication. As discussed on the following pages, we identified certain deficiencies in internal control. In addition, we reviewed the status of the deficiencies dated April 30, 2015. The status of these is included in Appendix A.

This memorandum is intended solely for the information and use of management and is not intended and should not be used by anyone other than these specified parties.

I encourage you to contact me at (630) 566-8535 should you have any questions.

Sikich LLP

Naperville, Illinois
October 20, 2016

OTHER COMMENTS

Future Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued a number of pronouncements that may impact the District in the future.

GASB Statement No. 72, *Fair Value Measurement and Application*, addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. Statement No. 72 is applicable for the fiscal year ending April 30, 2017.

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, establishes requirements for those pensions and pension plans that are not administered through a trust meeting specified criteria. The provisions in Statement No. 73 are effective for fiscal years beginning after June 15, 2015—except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement No. 68, which are effective for financial statements for the fiscal year ending April 30, 2018.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, addresses reporting by OPEB plans that administer benefits on behalf of governments and replaces GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. Statement No. 74 addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The statement builds upon the existing framework for financial reports of defined benefit OPEB plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. Statement No. 74 enhances note disclosures and RSI for both defined benefit and defined contribution OPEB plans. Statement No. 74 also requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules. The provisions in Statement No. 74 are effective for OPEB plan or sponsoring employer financial statements for the fiscal year ending April 30, 2018.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments and replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as they relate to governments that provide benefits through OPEB plans administered as trusts or similar arrangements that meet certain criteria. Statement No. 75 requires governments providing defined benefit OPEB to recognize their long-term obligation for OPEB as a liability for the first time, and to more comprehensively and comparably measure the annual costs of OPEB benefits.

OTHER COMMENTS (Continued)

Future Accounting Pronouncements (Continued)

The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI). The provisions in Statement No. 75 are effective for the fiscal year ending April 30, 2019.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, reduces the generally accepted accounting principles (GAAP) hierarchy to two categories of authoritative GAAP: officially established accounting principles - GASB Statements (Category A) and GASB Technical Bulletins; GASB Implementation Guides; and literature of the American Institute of Certified Public Accountants cleared by the GASB (Category B). Statement No. 76 also addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. Statement No. 76 is applicable for fiscal years ending April 30, 2017 and should be applied retroactively. Earlier application is permitted.

GASB Statement No. 77, *Tax Abatement Disclosures*, requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and reduce the reporting government's tax revenues. The requirements of this statement are effective for financial statements for the fiscal year ending April 30, 2017.

GASB Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*, establishes requirements for pensions provided to employees of state or local government employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local government pension plan, (2) is used to provide defined benefit pensions to both employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). The requirements of this statement are effective for the fiscal year ending April 30, 2017.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The requirements of this statement are effective for the fiscal year ending April 30, 2017.

GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*, requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The requirements of this statement are effective for the fiscal year ending April 30, 2018.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, provides recognition and measurement guidance for situations in which a government is a beneficiary of a split-interest agreement. The requirements of this statement are effective for the fiscal year ending April 30, 2018.

OTHER COMMENTS (Continued)

Future Accounting Pronouncements (Continued)

GASB Statement No. 82, *Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73*, addresses issues regarding (1) the presentation of payroll-related measures in the required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this standard are effective for the fiscal year ending April 30, 2018. Earlier application is encouraged.

APPENDIX A
STATUS OF PRIOR YEAR COMMENTS

DEFICIENCIES

1. Reporting on the Cash Basis and Modified Cash Basis

The Village currently records and reports their financial activity on the Cash Basis and Modified Cash Basis of Accounting, which is another comprehensive basis of accounting that is not a generally accepted accounting principle (GAAP). GAAP requires that governmental agencies report their governmental funds on the modified accrual basis of accounting and business-type activities on the full accrual basis of accounting, which require the recognition of revenues when they are both measurable and available and expenditures when they are due and payable, rather than when the cash comes in or out of the Village. The Village has determined that the needs and requirements of the external report users (i.e., the Board of Trustee, citizens of the Village and the various State agencies) are being met with the cash basis and modified cash basis of accounting. The Village's current reporting is acceptable and allows the financial records to be reported fairly in accordance with the cash basis and modified cash basis of accounting. We would encourage the Village to continue to review the costs and benefits of converting to the modified accrual basis as the needs of their users may change in future periods. For example, if the Village were to seek to issue additional debt in order to finance a project, we would encourage the Village to seek the advice of a bond consultant to determine if a change in accounting basis is warranted.

Status - Comment is still applicable as of April 30, 2016.

2. System Generated Reports

During our review of the open accounts receivable system generated report, we noted that the total account balance did not agree to the total for each category listed on the aging report (i.e., 0-30 days, 31-60 days, etc.). The net difference is immaterial and the Village does not record a receivable on the balance sheet due to being cash basis. However, we recommend the Village to investigate and reconcile the difference so that the report is accurate. Also, the Village should contact the software company and correct the error in the calculations.

Status - Comment is still applicable as of April 30, 2016. The Village did not generate a report for the fiscal year. We recommend that an automated remind be set up for the staff to run the detailed report of utility accounts receivable aging on April 30 every year.

APPENDIX A
STATUS OF PRIOR YEAR COMMENTS (Continued)

OTHER COMMENTS

1. Old Outstanding Checks

The Village does not have a policy that relates to the aged outstanding checks. In one of its accounts, checks dating back to 2002 remain on the outstanding check list for the bank reconciliation. We recommend that the Village develop a policy and procedure for accounting and resolving its old outstanding checks.

Status - Comment still applicable at April 30, 2016. The Village has \$ 16,766.93 of checks greater than 1 year outstanding. No action has been taken to clear these checks. Of the total amount, \$3,553.29 is greater than 7 years outstanding. Per Illinois Escheat law, the Village is required to turn these over to the State.

2. Recapture Agreements

In the past several years, the Village has entered into a number of recapture agreements. Because the nature of the individual agreement varies, the agreements can result in receivables or payables in future periods.

The Village is not currently maintaining a subsidiary ledger to monitor the position of each agreement. We recommend that the Village develop procedures to track each agreement over time and the relative activity and position of each agreement.

Status - Comment still applicable at April 30, 2016.

3. Internal Controls over Parking Lot Collections

We noted during our review of internal control over the Village's parking lot cash collection procedures that there is a lack of control at the older parking lot location. At the newer location, the collection box is locked and can only be opened by the finance staff at Village hall. Also, a receipt is printed that supports the amount actually collected. The Village currently does not use these receipts to ensure the proper amount is being deposited at the bank. We recommend the Village add controls at the older location and consider adding the new locked collection boxes at the older location. We also recommend the Village perform regular reconciliations of the money deposited at the bank from collections.

Status - Comment still applicable at April 30, 2016.

VILLAGE OF ROUND LAKE, ILLINOIS

MANAGEMENT LETTER

April 30, 2016



1415 W. Diehl Road, Suite 400
Naperville, Illinois 60563

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Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

The Honorable President
Members of the Village Board
Village of Round Lake, Illinois

In planning and performing our audit of the 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, Illinois (the Village) as of and for the year ended April 30, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify and deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected, on a timely basis.

This communication is intended solely for the information and use of the President, the Board of Trustees and the management of the Village and is not intended to be and should not be used by anyone other than these specified parties.

Sikich LLP

Naperville, Illinois
October 20, 2016

APPENDIX A STATUS OF PRIOR YEAR COMMENTS

SIGNIFICANT DEFICIENCIES

1. Custodial Credit Risk over Investments

As of April 30, 2016, the Village and Police Pension Fund investments were being held by the counterparty, resulting in exposure to custodial credit risk. The Village's investment policy requires that all investments be held by an independent third party custodian. The Police Pension Fund's investment policy is silent regarding custodial credit risk for investments. The Government Finance Officers Association best practice recommends separating the brokerage function from the custodial function to implement proper internal controls over the purchase and custody of investments. In addition, the Illinois Department of Insurance - Pension Division, in their frequently asked questions (FAQ) also recommends segregating these two functions. We recommend segregating the custodial function from the brokerage function for both Village and Police Pension investments. We further recommend clarifying the investment policy for the Police Pension Fund regarding custodial credit risk and the segregation of the brokerage and custodial functions.

2. Segregation of Duties

A system of internal control provides for a proper segregation of the accounting functions. This system would segregate recording of transactions, custody of assets, and authorization of transactions. Proper segregation is not always possible in smaller entities, but limited segregation to the extent possible can and should be implemented to reduce the risk of errors or fraud. At the Village, there is a lack of segregation of duties due to the number of personnel performing the accounting functions. The Village does have significant compensating controls, such as Board approval of bills lists and Finance Director review and approval of payroll transactions, accounts payable invoices and checks. We recommend that management continuously review the current assignments of accounting functions and, when possible, segregate duties and/or implement compensating controls to reduce the risk of errors or fraud. Additionally we recommend that the Village's finance department employees be cross-trained on each other's job responsibilities and that reviews and approvals be more prevalent in the Village's internal controls. We noted the following specific weaknesses:

Outstanding

- The same person that opens the mail is recording cash receipts in the general ledger. Additionally, the same individual that collects and counts collections from the drop box outside Village Hall records the receipts in the general ledger. These activities should be segregated, if at all possible. The compensating control of having the Finance Director code the receipts for nonrecurring receipts before entry somewhat mitigates the lack of controls.
- The Village does not lock the safe during the day; it is held open for access to finance department employees. All employees are aware of how to access the safe. The Village should limit access to the safe to specific individuals.

SIGNIFICANT DEFICIENCIES (Continued)

2. Segregation of Duties (Continued)

Outstanding (Continued)

- Employees who handle cash also have the ability to enter the financial software system and edit or make changes to cash register entries. Also, a procedure is not in place that monitors the frequency of modifications to cash register entries. Employees who handle cash should not be allowed access to the system and modify their entries. All changes to entries should be reviewed and approved by management.
- The utility billing clerk is able to collect utility cash receipts and enter them into the system. The clerk is also able to go into the system and add/edit/delete customers from the system. These functions should be kept separate and any edits to customer accounts should be reviewed and approved.



VILLAGE OF ROUND LAKE

AGENDA ITEM SUMMARY

TITLE: DE-ICING LIQUIDS PURCHASE

Agenda Item No. COTW

Executive Summary

Staff is requesting permission to purchase de-icing liquids for winter operations. Last year, ThermaPoint (R) was purchased from Industrial Systems Ltd. (sole source). The product worked well and staff recommends using the product again this year. ThermaPoint can be used to pre-treat roads, can be mixed with salt during plowing operations and can be used to help clear hard pack after snow events. It will work to melt snow and ice down to -30°F which provides a much lower melting point than rock salt which is only effective to about 15°F. The Village currently has approximately 6,000 gallons to start the winter. Staff is requesting permission to purchase more liquid as needed, not to exceed the budgeted amount.

Price quoted from Industrial Systems Ltd: \$1.05/gallon

Recommended Action

Approve the purchase of ThermaPoint de-icing liquids as needed.

Committee: PW/F&CA and Engineering		Meeting Date(s): 11/21/16	
Lead Department: Public Works		Presenter: Adam Wedoff, Director of Public Works	
Item Budgeted: ☒ Yes ☐ No ☐ N/A If amount requested is over budget, a detailed explanation of what account(s) the overage will be charged to will be provided in the Executive Summary or attached detail.	Account(s)	Budget	Expenditure
	Other Items	\$101,600.00	
	Item Requested	\$15,000.00	\$15,000.00
	YTD Actual		\$0.00
	Amount Encumbered		\$0.00
	01-60-74-77418	\$116,600.00	\$15,000.00
	Request is over/under budget:		
Under		\$101,600.00	
Over	-		

Industrial Systems Ltd.

112 West Route 120

Lakemoor, IL 60051

Tel: 815-344-5566 • Fax: 815-344-5588

ISL Quote

Village of Round Lake
Attn: Adam Wedoff

Round Lake, IL

Date:

September 30, 2016

Reference:

Liquid De-icer / Anti-icer**LOCAL** Manufactured, stored and distributed in Chicagoland **LOCAL**

Submitted By	FOB	Delivery	Terms
Steve Adler		Included	Net 30 days from delivery

ThermaPoint R is one of the hottest most low corrosion blends available

Quantity	Product Description	Price
4,500 gl	32% Liquid Calcium Chloride (-17°F)	\$0.60/gl
4,500 gl	Thermapoint R- Road Ready no mixing , For pre-wetting & anti-icing. Use at 8-12 gls/ton. (90% corrosion free) (-41°F)	\$1.05/gl
4,500 gl	Thermapoint C – Super Concentrate for blending your own three part blends only. Highest Organic Polymer content of all ThermaPoint products (98% corrosion free) (-29°F)	\$1.50/gl

We have dry blends of sub zero capable 4 chloride sidewalk salt in 50# bags
Professional Ice Melter by Spring Valley (-16°F)

Non Chloride dry & liquid snow/ ice meters, UREA, SODIUM FORMATE, **INFERNAL MELT NC****Ice-melt-products.com****Note**

Fuel surcharge may apply

ImportantPrices in effect at time of delivery and subject to
availability, unless such time is extended in writing.

Quantities shown above are not guaranteed.

Member APWA

Steve Adler



ThermaPoint Organic Polymer Based Anti-Icing & De-Icing Liquid

PRODUCT DESCRIPTION

ThermaPoint is an environmentally friendly product that will significantly and economically enhance your snow & ice management program. It is a natural agricultural product that is specially blended to create a proprietary organic performance enhancer. It is far more biologically stable than other organics so it doesn't break down or ferment in your tanks. It is very effective in reducing corrosion when mixed with Sodium and or Calcium Chlorides. All ThermaPoint products are tested to be greater than **90% less corrosive than rock salt** and meet PNS specifications. Its chemical description is an "Organic Polymer" whose long molecular chains make the product viscous enough to provide the longest lasting residual effect in the industry and yet fluid enough to apply to the road in the winter.

ThermaPoint is available in 4 versions:

ThermaPoint C - Is a super Organic Concentrate for customers with formulation blending operations. Because it measurably provides the longest lasting residual effect of all organics on the market, lower dosages are needed to make "Supermix" style products. Freeze point **-27°F**.

ThermaPoint S - Our standard Organic Concentrate is used to make "Supermix" formulations. In addition it is ideal for stockpile treating since its high viscosity will resist running through the pile. The pile also stays pliable from one season to the next. Freeze point **-29°F**.

ThermaPoint AP - An All Purpose Organic product that is blended with enough Sodium & Calcium Chloride so that it is actually thick enough for stockpiles used within 1 season & fluid enough to be sprayed on roads for anti-icing. It is an excellent alternative to straight Calcium Chloride for pre-wetting rock salt. Freeze point **-32°F**.

ThermaPoint R - A premium Road ready Organic product blended with Sodium & Calcium Chloride that will perform nicely for all your pre-wetting, anti-icing & de-icing applications. The residual effect will help prevent product runoff. Our hottest product with a **-40°F** freeze point.

APPLICATIONS

Pre-wetting - Application rate is 3 -12 gallons per ton of rock salt at the spinner or onto loader bucket when loading truck.

- Melting begins immediately - no waiting for salt to make its own brine. Acts as a liquid accelerator for salt.
- Proven 30% - 40% reduction in salt use due to residual effect of organic and less bounce & scatter.
- 90% + lower corrosion rate than plain rock salt or brines.
- Use either ThermaPoint AP or R.

Anti-icing - Application rate for anti-icing is 20-30 gallons per lane mile. For frost prevention, use 15-20 gallons per lane mile.

- Prevents bonding of snow and ice to pavement.
- Prevents "black ice".
- Has significant residual effect.
- Quick and easy application using spray rig with solid stream nozzles.
- Follow "Anti-Icing Application Decision Flowchart" for more detailed application information. Consult an ISL rep for a copy.
- Use ThermaPoint AP or R.

De-icing - Application rate is 40 gallons per lane mile.

- Melting begins immediately. ThermaPoint melts through up to ½" of dry packed snow to the pavement, using straight stream nozzles, where it will spread and break the bond between the ice & snow and the road allowing plows to remove it easily.
- Use ThermaPoint AP or R.

PHYSICAL PROPERTIES

Appearance/Odor:	Dark brown liquid w/ mild odor	\$	Weight:	10.3 – 10.7 lbs/gal depending on product
pH:	4.0 – 4.6	\$	Specific Gravity:	1.25 – 1.285 depending on product
Freeze Point:	ThermaPoint C: -27°F ThermaPoint S: -29°F; ThermaPoint AP: -32°F; ThermaPoint R: -41°F.			



Salt Pre-wet • Anti-Ice • Deicer

Save 30% - 40% on salt



ThermaPoint™ is an organic, environmentally friendly product that will significantly and economically enhance your snow and ice management program. A calcium chloride based, corrosion inhibited solution, ThermaPoint™ can be used as a pre-wet for salt, sand or a combination of the two or as an anti-icing / deicing agent.

PRE-WETTING

- Begins working immediately
- Reduces bounce and scatter
- Uses less salt
- Reduced labor costs
- Lower corrosion rate than plain rock salt

ANTI-ICING

- Prevents bonding of snow and ice to pavement
- Prevents "black ice"
- Has residual effect
- Environmentally friendly
- Easy to apply
- Works to -32° F

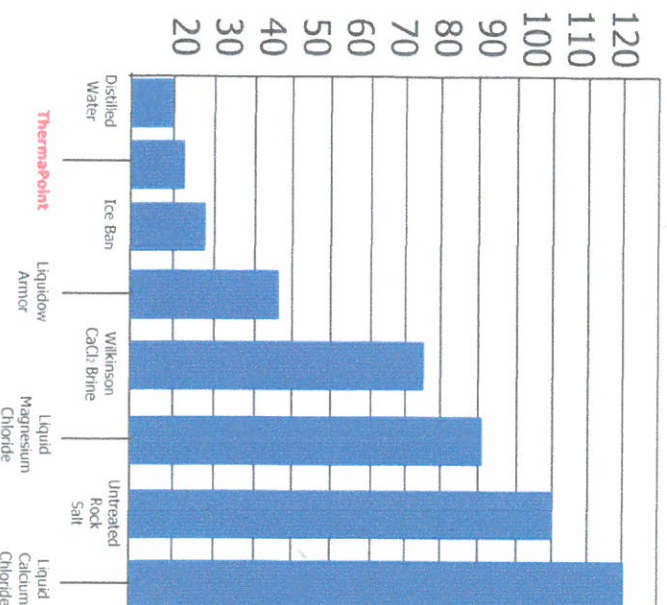
ThermaPoint™ meets or exceeds industry standards for snow and ice control products. ThermaPoint™ is less harmful to equipment than straight chlorides, brines or untreated rock salt and it works faster, longer and to lower temperatures than salt brines or untreated rock salt.

ThermaPoint™ is among the top performers in ice control products with low working temperatures and the lowest corrosion rate

Ice Control Agent	Target Temp Range (°F)	Corrosion Rate
ThermaPoint	-32	4.3
Ice Ban (2)	-40	8.4
Meltdown (2)	-10	25.9
Liquidow Armor (1)	-17	26
Wilkinson Brine (1)	-53	64.2
Dow Calcium Chloride	-59	121
Rock Salt	+15	100

1 - Calcium Chloride based 2 - Magnesium chloride based

PNS relative corrosion rates of common ice control products



The Wilkinson Corporation warrants that ThermaPoint is fit for the purpose as described when applied in a manner consistent with such products. No other warranty, express or implied is made. In no event shall The Wilkinson Corporation be liable for any special, indirect, incidental, or consequential losses or damage of any kind. The information in this publication is accurate to the best of the sellers knowledge.

Industrial Systems Ltd.

112 West Route 120 (Rand Road)

Lakemoor, Illinois 60051

815-344-5566 phone

815-344-5588 fax

Ice-Melt-Products.com

Greg@isltd.us

Steve@isltd.us



VILLAGE OF ROUND LAKE

AGENDA ITEM SUMMARY

TITLE: MACGILLIS DRIVE BRIDGE INSPECTION

Agenda Item No. COTW

Executive Summary

Staff recommends accepting a proposal from Baxter & Woodman, Inc. to inspect the new MacGillis Drive Bridge and register the bridge with the Illinois Department of Transportation (IDOT). The inspection will need to be completed again in two years and then every four years after that to remain in compliance with IDOT requirements. Baxter & Woodman has certified staff to complete the inspection and has previously conducted similar inspections on the old bridge.

Additional scope of services is described in the attached proposal.

Recommended Action

Accept a proposal from Baxter & Woodman, Inc. to inspect the MacGillis Drive Bridge.

Committee: PW/F&CA and Engineering		Meeting Date(s): 11/21/16	
Lead Department: Public Works		Presenter: Adam Wedoff, Director of Public Works	
Item Budgeted: ☒ Yes ☐ No ☐ N/A If amount requested is over budget, a detailed explanation of what account(s) the overage will be charged to will be provided in the Executive Summary or attached detail.	Account(s)	Budget	Expenditure
	Other Items	\$15,000.00	
	Item Requested	\$2,000.00	\$2,000.00
	YTD Actual		\$3,898.24
	Amount Encumbered		\$0.00
	01-60-73-77307	\$17,000.00	\$5,898.24
	Request is over/under budget:		
	Under		\$11,101.76
	Over	-	

**VILLAGE OF ROUND LAKE, ILLINOIS
BRIDGE PROGRAM MANAGEMENT AND INSPECTION SERVICES (2016-2017)**

WORK ORDER

ENGINEERS' PROJECT NO. 160833.30

Project Description:

The Project consists of providing National Bridge Inspection Standards (NBIS) Program Manager Duties and Inspection Services for the Village for the years 2016-2017. The Village presently has one (1) bridge under its jurisdiction (049-7701) that is scheduled for inspection upon its completion.

Engineering Services:

The general provisions of this contract are enumerated in the Village Engineering Services Agreement between the Village and the Engineers dated March 18, 1998. The scope of services for this Project is listed in Attachment A.

Compensation:

Compensation for the services will be in accordance with the Village Engineering Services Agreement dated March 18, 1998. The Engineers' fee shall be a lump sum fee **\$2,000**, which will be invoiced upon completion of the bridge inspection in December of 2016.

Submitted by: **Baxter & Woodman, Inc.**

By: _____

Louis D. Haussmann, PE, PTOE

Title: Vice President/COO

Date: November 14, 2016

Approved: **Village of Round Lake, Illinois**

By: _____

Daniel A. MacGillis

Title: Village President

Date: _____

Additional Comments and Conditions: None.

Project Description

Provide NBIS Program Manager Duties and Inspection Services for the Village in compliance with requirements of the Illinois Department of transportation (IDOT) and the Code of Federal Regulations. At this time and for consideration of this Work Order, the Village has one (1) bridge under its jurisdiction, MacGillis Drive (049-7701) Bridge.

Scope of Services

The standard of care for all professional engineering and related services performed or furnished by the Engineer under this Agreement will be the care and skill ordinarily used by members of Engineer's profession practicing under similar circumstances at the same time and in the same locality on similar projects. Engineer makes no warranties, express or implied, under this Agreement or otherwise, in connection with Engineer's services.

The following scope of services details the anticipated tasks necessary to successfully complete this Project.

1. Program Manager Duties (2016-2017):
 - A. Provide overall leadership for determination of inspection frequency and procedures per NBIS.
 - B. Prepare bridge file consisting of information available including:
 - (1) Bridge history, including original construction drawings, calculations, and correspondence.
 - (2) Bridge report card.
 - (3) Current routine bridge inspections.
 - (4) Bridge scour assessment documentation.
2. Initial Maintenance Inspection (2016): Perform initial visual inspection consisting of observation and measurements needed to determine the physical and functional condition of the bridge, to provide required inventory information of the as-built structure, and to determine its baseline structural condition.
 - A. Prepare or update Bridge Record (IDOT BLR Form 06310).
 - B. Prepare Routine Inspection Report (BBS-BIR).
 - C. Prepare Inventory / Status Initial Report (IDOT S-105-I).
 - D. Prepare Route / Construction Information Initial Report (IDOT S-111-I).
 - E. Prepare Inspector's Inventory Report (IDOT BLR Form S-114).
 - F. Prepare IDOT Scour Critical Evaluation Coding Report.



VILLAGE OF ROUND LAKE

AGENDA ITEM SUMMARY

TITLE: 2016 / 2017 SNOW REMOVAL PLAN

Agenda Item No. COTW

Executive Summary

Staff has updated the attached snow removal plan for the winter of 2016-2017. The notable changes include:

- Addition of a new 5-yard truck and the elimination of the 10 yard truck
- Addition of a new skid steer with broom and snow blower attachments to be dedicated to sidewalk snow removal
- Addition of a seasonal employee dedicated to snow removal on sidewalks
- Restructuring the plow routes to better fit the equipment available now that the 10 yard truck has been eliminated

Recommended Action

Review and discuss the 2016-2017 snow removal plan

Committee: PW/F&CA and Engineering		Meeting Date(s): 11/21/16	
Lead Department: Public Works		Presenter: Adam Wedoff, Director of Public Works	
Item Budgeted: ☐ Yes ☒ No ☐ N/A If amount requested is over budget, a detailed explanation of what account(s) the overage will be charged to will be provided in the Executive Summary or attached detail.	Account(s)	Budget	Expenditure
	Other Items	\$0.00	
	Item Requested	\$0.00	\$0.00
	YTD Actual		\$0.00
	Amount Encumbered		\$0.00
	0	\$0.00	\$0.00
	Request is over/under budget:		
Under	-		
Over	-		

**VILLAGE OF ROUND LAKE, ILLINOIS
PUBLIC WORKS DEPARTMENT
SNOW REMOVAL & ICE CONTROL PLAN**

EFFECTIVE NOVEMBER 01, 2015

The Village of Round Lake, Illinois is a community of 18,289 people. At this time there are 55 centerline miles (110 Lane Miles) of streets to maintain including 71 cul-de-sacs and dead ends.

Equipment:

- 4 Five Yard Dump Trucks with Plows and Salt Spreaders
- 3 1.5 Ton Dump Trucks with Plows and Salt Spreader
- 1 One Ton Dump Truck with Plow and Salt Spreader
- 5 ¾ Ton Pick Up Trucks with Plows
- 1 Front End Loader
- 1 Combination Loader/Backhoe
- 1 Bobcat Skid Steer Loader

Staff:

- 1 Public Works Director
- 1 Water/Sewer Foreman
- 6 Public Works Maintenance Employees
- 5 Part-time drivers to help when requested

Routes:

Streets

The Village is divided into six snow removal routes. One truck is assigned to each route to clear the mainline streets and cul-de-sacs and/or dead ends on the particular route. As drivers finish their assigned routes, they assist other drivers on other routes as needed.

The individual snow removal routes are as follows:

<u>Route No.</u>	<u>Route Location</u>
Route 1	Silver Leaf, Valley Lakes, Emerald Bay
Route 2	Valley Lakes (north)
Route 3	Valley Lakes (south)
Route 4	Parkview Subdivisions & Valley Lakes N.E. Nippersink Rd, Hart Rd. & Industrial Park
Route 5	Old Town (north of train tracks), Treehouse, MacGillis, Forest
Route 6	Madrona Village, Madrona Ridge & Bradford Place
Route 7	Prairie Walk, Lakewood Grove & Lakewood Orchard
Floating (Bldg Dept, Police Dept, Part-Time)	Village Hall, downtown PW/PD, Lakewood south of Rte. 60
Subcontracted Route	Bright Meadows

A twenty mile per hour speed limit is set for all routes in residential areas during plowing operations.

Salting operations are typically done after the snow has stopped and/or during the last pass with the plow truck. There are however, certain hills, intersections, and curves that are salted more frequently. Depending on the weather forecast, salting or pre-wetting operations may also be done before snow starts accumulating.

Sidewalks

Public Works has hired a part time seasonal employee to be dedicated to snow removal on sidewalks. Whenever possible, sidewalks and Village Hall areas will be cleared before 7:00 AM on school days. The equipment used for this operation consists of a skid steer loader with a broom and snow blower attachments and a walk behind snow blower. Sidewalks to be cleared are as follows:

- Nippersink Road from Cedar Lake Road to the Village School
- Hart Road from Cedar Lake Road to Route 134
- Sunset Road from Hart Road to Long Lake Drive
- Cedar Lake Road from Route 134 to Park Road
- Commuter walk areas at the intersection of Cedar Lake Road and Route 134
- Bright Meadows Subdivision Path from Forest Avenue to Wildspring Road
- Lincoln Avenue Bike/Pedestrian Path
- Village Police and Public Works Department
- Hillandale Drive from Maple Lane to Round Lake Park
- Village Hall and Annex sidewalks
- Path from Waterbury Drive to Newbridge Lane for Park School
- Townline Road. from Bacon Road to Wildspring Road
- Washington Street from Greenwood to Cedar Lake Road
- Long Lake Drive from N. Lotus Drive to Sunset Drive
- Wagonwood Rd path to Nippersink & Nippersink from path to school entrance
- Goodnow Blvd from Avilon Ave to Route 134
- N. Rosedale Ct from Cedar Lake Rd to the school entrance
- S. Rosedale Ct from Cedar Lake Rd to the school entrance

Downtown Business District

Downtown business owners are expected to clear the snow from the sidewalks in front of their respective business by placing the snow at the curb. Staff will load out the snow that has been deposited at the curb and haul it to an area behind the Village Hall or other designated area.

Equipment Preparation

Prior to November 1 snowplows and salt spreaders have been prepped and mounted on the vehicles and checked for proper operation. In early November , staff will conduct a dry run of all of the routes to allow the drivers to check for route hazards, familiarize themselves with any new streets added to their routes and check for proper equipment operation. At that time the drivers note any hazards and any problems that they may have had with their truck and equipment. Any problems with the trucks and equipment are addressed and repaired. It is our intention to have the fleet completely fitted and operational by the second week in November.

Storm Call-Out Procedure

The Director of Public Works will initiate winter operations based on the National Weather Service local forecast and actual road conditions. All personnel will be notified in advance of the likelihood of winter operations and an anticipated start time.

Anti-Icing Resources

Salt

For the 2016/2017 winter the Village has contracted with Morton Salt, Inc. hauling for 1,200 tons of rock salt. The Village's salt barn located at the Public Works facility can only hold approximately 500 tons of salt and therefore salt deliveries will be required periodically throughout the winter.

Liquids

Public Works has a 6200 gallon tank and a 1200 gallon tank for anti-icing liquids. Staff intends to use a chemical blend called Thermapoint R purchased from Industrial Systems Ltd. and straight calcium chloride purchased from Lake County. The liquids will be used depending on pavement temperature. Salt brine is generally effective down to 15 °F while the mixtures can be effective down to -10 °F. Liquids can be applied before, during or after a snow event.

Miscellaneous

Mailboxes

Mailboxes are typically damaged from the weight of the snow hitting the box or the box being struck by the plow. It is usually the weight of the snow that causes the damage.

If a mailbox is damaged by being struck by a plow or truck, during snow removal operations it will be repaired within a reasonable amount of time after snow removal operations are completed. Mailboxes damaged from the weight of the snow will not be repaired by the Village. As calls are received, regarding damaged mailboxes, a list is compiled and repairs are completed on a first come first served basis.

The following is an attempt to describe varying damages and probable repairs:

1. The post is completely broken off and the existing mailbox did not suffer any major damage:

If the ground is not frozen we will replace the post with a configuration that is **similar to or as close as possible** to the original design of the existing post. Staff will re-install the existing box on the new post.

If the ground is frozen, and installation of a new post is impossible, staff will provide a temporary mailbox until such time as a proper repair can be accomplished.

2. The post is intact and the mailbox has been knocked off of the post:

Staff will inspect the post for damage and replace the post if damage is found. If the box did not suffer any major damage staff will re-mount the existing box on the existing post.

If the box is damaged beyond repair staff will provide a replacement mailbox that will match the original mailbox **as close as possible**.

In the case of a one of a kind mailbox, staff will offer the owner a replacement mailbox or allow the owner to obtain a replacement mailbox and send the receipt to the Village for reimbursement. The maximum reimbursement limit is \$50.00 for each occurrence.

Parkway Damage

Parkway damage can be caused by a plow riding up over the curb or beyond the shoulder or by tires coming up over the curb and tearing up grass or creating ruts. Staff will compile a list of damaged areas as complaints are called in and all parkways will be checked in early spring for damage. Staff will repair damaged areas in the spring as weather allows. The repairs will consist of removing the damaged material, placing new topsoil as needed, seeding the areas and placing blanket over the repair. Requests to repair plow damage should be made prior to May 15th. After that date, repairs will be the responsibility of the property owner.

Decorative Landscaping

This item refers to planting areas within the right-of-way. The damage may be salt damage or damage to the planting structure (rocks, railroad ties, etc.) or the plantings themselves. These planting areas are placed in the right-of-way at the owner's risk. Staff will not replace or repair anything in these areas beyond standard grass restoration.



VILLAGE OF ROUND LAKE

AGENDA ITEM SUMMARY

TITLE: EMERGENCY SNOW REMOVAL CONTRACT

Agenda Item No. COTW

Executive Summary

Staff is recommending the Village enter into a contract with Mark Meade Excavators, Inc. to supply heavy equipment and operators in the event of a large snowfall. Last year a proposal was sent out to local contractors requesting hourly rates for different types of equipment that would be useful for emergency snow removal services. Mark Meade Excavators was the only company that responded. They have agreed to hold their prices from last year so staff is recommending competitive bidding be waived and the contract with Mark Meade Excavators be renewed.

Emergency snow removal services were not utilized last winter.

Recommended Action

Approve an emergency snow removal contract with Mark Meade Excavators, Inc.

Committee: PW/F&CA and Engineering		Meeting Date(s): 11/21/16	
Lead Department: Public Works		Presenter: Adam Wedoff, Director of Public Works	
Item Budgeted: ☐ Yes ☒ No ☐ N/A If amount requested is over budget, a detailed explanation of what account(s) the overage will be charged to will be provided in the Executive Summary or attached detail.	Account(s)	Budget	Expenditure
	Other Items	\$0.00	
	Item Requested	\$0.00	\$0.00
	YTD Actual		\$0.00
	Amount Encumbered		\$0.00
	0	\$0.00	\$0.00
	Request is over/under budget:		
Under	-		
Over	-		

SERVICES CONTRACT

Winter Season 2015/2016

Contractor Name: Mark Meade Excavators Inc
Contractor Address: 31446 N. Alleghany Rd Unit 4, Grayslake, IL
Contractor Contact: Mark Meade
Contractor Phone #: 847-223-9114 E-mail address: markmeade@markmeadeexcavators.com

1. SCOPE OF WORK

It is the intent of the Village of Round Lake to secure services for the plowing of streets, cul-de-sacs, parking lots and for sidewalks in specified areas of the Village during excessive accumulation of snow, on an as-needed basis.

2. PROJECT SUBMITTALS

The Contractor shall provide the Village, in writing, with a single, continuously-monitored telephone number at which to contact contractor's staff for snow removal operations, as well as a secondary staff member and phone number.

4. TECHNICAL SPECIFICATIONS

4.1 Standards of Performance

The snow removal services shall be performed by qualified, competent, and efficient personnel in accordance with the recognized best practices and industry standards, and in a manner so as to minimize the risk of injury to persons and property. Each truck driver shall have a valid State of Illinois Commercial Driver's License.

4.2 Snow Removal Operations

To initiate snow removal operations, the Director of Public Works will contact the Contractor's staff at the above-described continuously-monitored telephone number. The Contractor shall be responsible for mobilizing its staff and equipment necessary to commence snow removal.

The Contractor's designated supervisory person shall report to the Village's Public Works Department, with staff and all necessary equipment fueled and operational, and ready to commence snow removal operations, no later than ninety (90) minutes after receipt of the initial call. The Contractor's personnel shall sign in on forms provided at the Public Works Department, indicating the date and time of arrival at said office, the time at which snow removal operations began and ended, and the equipment used.

The Contractor shall respond promptly to callbacks for additional clearing of snow when deemed necessary by the Village of Round Lake (i.e. snow blocking fire hydrants, snow on streets where cars were parking during initial plowing, etc.)

4.3 Snow Removal Procedures

During snow removal operations, it shall be the contractor's responsibility to complete street, cul-de-sac, and parking lot clearing as assigned. Care must be taken so as not to push an unusual or inordinate amount of snow into resident driveways or in front of fire hydrants.

- 4.4 Equipment
See the Billing Rate for Equipment table in Section 9 of this Contract.

Each bidder shall submit with its bid a list of snow removal-related equipment that may be made available (with operators) to the Village in short-notice or emergency situations.

- 4.5 Accident Reporting
All accidents involving Village or private property must be reported to the Round Lake Police Department immediately and to the Round Lake Public Works Department within one (1) hour of said accident.

- 4.6 Property Damage
The Contractor shall assume responsibility for all damage to property caused by their equipment with the exception of a marginal amount of parkway damage. Repair of all such damage will be the responsibility of the Contractor. All damage to concrete curbs or infrastructure caused by the Contractor and its staff must be repaired by June 1 following the occurrence of said damage, unless a different date is approved by the Village.

5. EMERGENCY RESPONSE/SCHEDULING OF WORK

The Contractor shall, at all times, maintain a sufficient number of qualified personnel to perform the work required and described herein. The number of qualified personnel shall be sufficient to respond to emergency calls at any time, twenty-four (24) hours a day, including Saturdays, Sundays and holidays.

6. ROUTES/LOCATIONS

The Contractor shall submit to the Village an estimate for hauling snow on an as needed basis, to be charged at a per occurrence rate. The hauling of snow shall occur at the Village's request with a minimum of twenty-four (24) hours notice given. The contractor shall be responsible for coordinating a snow dumping site with the Public Works Department.

7. COMPLIANCE WITH LAWS

The Work, and all of its components, shall be provided, performed, and completed in compliance with, and Contractor agrees to be bound by, all applicable federal, state, and local laws, orders, rules, and regulations, as they may be modified or amended from time to time, including without limitation prevailing wage laws; any statutes requiring preference to laborers of specific classes; and statutes prohibiting discrimination because of, or requiring affirmative action based on race, creed, color, national origin, age, sex or other prohibited classification; and any statutes regarding safety or the performance of the Work.

8. REQUIRED INSURANCE COVERAGES

Contractor shall furnish at Contractor's sole cost, original certificates and copies of policies of insurance upon award of the contract. Such policies shall be in form and from companies acceptable and satisfactory to the Village to afford protection against all claims for damages to public or private property, and injuries to persons, arising out of and during the progress of the Work. A copy of the certificate of insurance shall name the Village of Round Lake as an additional insured. Throughout the term of this Contract and any renewal thereof the Contractor agrees, at a minimum, to carry and maintain in effect insurance as follows:

- (i) **Workman's Compensation:** The Contractor shall carry in a company authorized under the laws of the State of Illinois a policy to protect himself/herself against liability under the Workman's Compensation and Occupational Diseases Statutes of the State of Illinois. Limits shall not be less than: \$500,000 per accident-injury occurrence, \$500,000 per employee-disease occurrence and \$500,000 per disease-policy occurrence.
- (ii) **Motor Vehicle Liability Insurance:** The Contractor shall carry in his/her/its own name a policy under a comprehensive form to insure the entire motor vehicle liability for his/her operations with limits not less than \$1,000,000 each person and \$1,000,000 each

accident bodily injury and death liability and \$1,000,000 each accident for property damage liability. This policy shall name the Village of Round Lake as additional insured as respects the operation of vehicles owned or operated by the Contractor.

- (iii) General Liability: The Contractor shall carry in his/her own name a comprehensive liability policy for his/her operations other than motor vehicle with limits of at least \$2,000,000 each person and \$2,000,000 each accident bodily injury and death liability, \$2,000,000 each accident for property damage liability. The Village of Round Lake shall be named as an additional insured on this policy.

The Insurance coverage specified herein constitutes the minimum requirements and said requirements shall in no way lessen or limit the liability of the Contractor under the terms of this Contract. Contractor shall procure and maintain at its own cost and expenses, any additional kinds and amounts of insurance which, in the Contractor's own judgment, may be necessary for its proper protection in the prosecution of the work.

9. PROPOSAL

The undersigned proposes, in accordance with the terms and conditions of this Contract of which this Proposal is a part, to furnish and deliver to the Round Lake Village Hall, 442 N. Cedar Lake Road, Illinois, 60073, all necessary labor, material and equipment for snow removal in selected areas, at the following hourly rates:

[Blank to bottom of page]

Hourly Billing Rate for Equipment

Type of Equipment *	Cost per hour**	Cost - Overtime per hour*	Cost mobilization (if additional)
Front End Loader, rubber wheeled, 3.0 C.Y. bucket capacity	\$ 225.00	\$ 265.00	\$ 300.00
Front End Loader, rubber wheeled, 3.5 C.Y. bucket capacity	\$ —	\$ —	\$ —
Front End Loader, rubber wheeled, 4.0 C.Y. bucket capacity	\$ —	\$ —	\$ —
150 H.P. Farm Tractor - 10' Plow Front End Loader, rubber wheeled, Other sized bucket capacity (note capacity - — C.Y.)	\$ 195.00	\$ 225.00	\$ 225.00
Skid loader (note capacity - 1.5 C.Y.)	\$ 180.00	\$ 215.00	\$ 225.00
Truck w/ dump trailer (note capacity - 25 C.Y.)	\$ 150.00	\$ 195.00	\$ 150.00

* Contractors do not have to provide a cost per hour for every type of equipment noted.

**Hourly Rate for One (1) Vehicle/Piece of Equipment with One (1) Driver/Operator.

200 H.P. Farm Tractor with 12' Plow	\$ 210.00	\$ 245.00	\$ 245.00
-------------------------------------	-----------	-----------	-----------

10. INDEMNIFICATION

The Contractor shall indemnify and save harmless the Village of Round Lake against any and all damages to property or injury or death of any person or persons, including property and employees, agents, or invitees of the Village of Round Lake and shall defend, indemnify and save harmless the Village of Round Lake from any and all claims, demands, suits, actions, or proceedings or any kind or nature, or by anyone whatsoever, including but not limited to costs, expenses and reasonable attorney fees, in any way resulting from or arising out of Contractor's performance under the terms of this Proposal and/or the operations in connection herewith, including operations of sub-contractors and actions or omissions of employees or agents of Contractor or his/her sub-contractors. The Contractor's insurance shall include contractual coverage of the foregoing "hold harmless" agreement.

It is expressly agreed that in no event shall the Village be liable or responsible to the Contractor, or any other person, on account of stoppages, or delay in work herein provided for, by injunction or other legal or equitable proceedings brought against the Contractor, or from, or by account of, any delay from any cause whatsoever over which the Village has no control.

Contractor (and any subcontractor into whose subcontract this clause is incorporated) agrees to assume the entire liability for all personal injury claims suffered by its own employees and waives any limitation of liability defense based upon the Worker's Compensation Act and cases decided there under. Contractor agrees to indemnify and defend the Village from and against all such loss, expense, damage or injury, including reasonable attorneys' fees, which the Village may sustain as a result of personal injury claims by Contractor's employees, except to the extent those claims arise as a result of the Village's own negligence.

11. AMENDMENT

No amendment or modification to this Contract shall be effective unless and until such amendment or modification is in writing, properly approved in accordance with applicable procedures, and executed by both the Village and the Contractor.

12. ASSIGNMENT

This Contract may not be assigned by the Village or by the Contractor without the prior written consent of the other party.

13. BINDING EFFECT

The terms of this Contract shall bind and inure to the benefit of the parties hereto and their agents, successors, and assigns.

14. NOTICE

Notices and communications to the Village shall be addressed to, and delivered at, the following addresses:

Village of Round Lake
Public Works Department
751 W. Townline Road
Round Lake, IL 60073

Notices and communications to the Contractor shall be addressed to, and delivered at, the following address:

Mark Meade Excavators Inc
31446 N. Allegheny Rd #4
Grayslake, IL 60030

15. NO THIRD PARTY BENEFICIARIES

No claim as a third party beneficiary under this Contract by any person, firm, or corporation other than the Contractor shall be made, or be valid, against the Village.

16. SEVERABILITY

If any term, covenant, condition, or provision of this Contract is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

17. ENTIRE CONTRACT

This Contract constitutes the entire agreement between the parties and supersedes any and all previous or contemporaneous oral or written contracts and negotiations between the Village and the Contractor with respect to the Proposal and the Work.

18. WAIVER

No waiver of any provision of this Contract shall be deemed to or constitute a waiver of any other provision of this Contract (whether or not similar) nor shall any such waiver be deemed to constitute a continuing waiver unless otherwise expressly provided in this Contract.

19. RIGHTS CUMULATIVE

Unless expressly provided to the contrary in this Contract, each and every one of the rights, remedies, and benefits provided by this Contract shall be cumulative and shall not be exclusive of any other such rights, remedies, and benefits allowed by law.

20. PERIOD FOR ACCEPTANCE

By executing and delivering this Contract to the Village, the Contractor agrees to be bound by the rates in Section 9 of this Contract for a period of sixty (60) days after the date the Contractor delivers this Contract to the Village. If the Village accepts the Contractor's proposal under this Contract, the Village shall notify the Contractor in writing and provide the Contractor with a copy of this Contract executed by the Village. If the Village executes this Contract, both the Village and Contractor are immediately bound by all of the terms and conditions of this Contract.

VILLAGE OF ROUND LAKE
CONTRACT

1. THIS AGREEMENT, made and concluded this ____ day of _____, 20____, between The VILLAGE OF ROUND LAKE, acting by through the Board of Trustees, known as the party of the first part, and _____, his/their executors, administrators, successors or assigns, known as the party of the second part.
2. WITNESSETH: That for and in consideration of the payments and agreements mentioned in the Proposal hereto attached, to be made and performed by the party of the first part, and according to the terms expressed in the Bond referring to these presents, the party of the second part agrees with said party of the first part at his/their own proper cost and expense to do all the work, furnish all materials and all labor necessary to complete the work in accordance with the Specifications hereinafter described and in full compliance with this agreement and the requirements of the Director of Public Works under it.
3. And it is also understood and agreed that the Specifications hereto attached, for the 2015 - 2016 Emergency Snow Removal Contract, are all essential documents of this contract and are part hereof.
4. IN WITNESS WHEREOF, The said parties have executed these presents on thru date above mentioned.

Village of Round Lake

Attest: Patricia C. Blauvelt, Village Clerk

Daniel A. MacGillis, Mayor

For the Contractor

By _____

Attest:

President

VILLAGE OF ROUND LAKE PUBLIC CONTRACT STATEMENTS

The Village of Round Lake ("Village") is required to obtain certain information in the administration and awarding of public contracts. The following Public Contract Statements shall be executed and notarized.

PUBLIC CONTRACT STATEMENTS

CERTIFICATION OF CONTRACTOR/BIDDER

In order to comply with 720 Illinois Compiled Statutes 5/33 E-1 et seq., the Village requires the following certification be acknowledged:

The below-signed bidder/contractor hereby certifies that it is not barred from bidding or supplying any goods, services or construction let by the Village of Round Lake with or without bid, due to any violation of either Section 5/33 E-3 or 5/33 E-4 of Article 33E, Public Contracts, of the Chapter 720 of the Illinois Compiled Statutes, as amended. This act relates to interference with public contracting, bid rigging and rotating, kickbacks, and bidding.

CERTIFICATION RELATIVE TO 65 ILCS 5/11-42.1.1

In order to comply with 65 Illinois Compiled Statutes 5/11-42.1.1, the Village requires the following certification:
The undersigned does hereby swear and affirm that it is not delinquent in the payment of any tax administered by the Illinois Department of Revenue unless it is contesting, in accordance with the procedures established by the appropriate revenue Act, its liability for the tax or the amount of the tax. The undersigned further understands that making a false statement herein: (1) is a Class A Misdemeanor, and (2) voids the contract and allows the Village to recover all amounts paid to it under the contract.

CONFLICT OF INTEREST

The Village requires the following verification relative to conflict of interest and compliance with general ethics requirements of the Village:

The undersigned supplier hereby represents and warrants to the Village as a term and condition of acceptance of this (Contract) that none of the following Village Officials is either an officer or director of supplier or owns five percent (5%) or more of the Supplier: the Village President, the members of the Village Board of Trustees, the Village Clerk, the Village Treasurer, the members of the Zoning Board of Appeals and the Plan Commission, the Village Manager and his Assistant or Assistants, or the heads of the various departments within the Village.

If the foregoing representation and warranty is inaccurate, state the name of the Village official who either is an officer or director of your business entity or owns five percent (5%) or more thereof:

(Official) _____

Mark Meade Excavators Inc
Print Name of Contractor/Bidder/Supplier

Mark Meade
Signature

President
Title

Subscribed and Sworn to before me this 3rd day of December, 2015.

Notary Public: Margaret R. Flores

Notary _____ Expiration _____ Date 3/25/17





VILLAGE OF ROUND LAKE

AGENDA ITEM SUMMARY

TITLE: Authorization to purchase one 6 Terabyte Network Attached Server and Peripheral Fixed Cabinetry

Agenda Item No. COTW

Executive Summary:

Attached are three price quotes for one Seagate 6 Terabyte Internal Hard Drive Network Attached Server and Peripheral Fixed Cabinetry for the Police Department Camera system data storage.

While our estimate is not absolute, the device is expected to meet our needs sufficiently for the foreseeable future.

The Round Lake Police Department seeks approval to make this purchase from Paragon Micro of Lake Zurich, IL. Attached are three sales quotes. Paragon Micro sales quote # 740631 dated November 2, 2016 lists the cost of the device and cabinetry \$3,310.90 which is the total quoted price.

The remaining sales quotes are CDW-G at \$3,521.62, and Current Technologies at \$3,744.51.

Recommended Action:

Staff recommends authorization to purchase one Seagate 6 Terabyte Internal Hard Drive Network Attached Server and Peripheral Fixed Cabinetry for the Police Department Camera system data storage from Paragon Micro of Lake Zurich, IL for \$3,310.90.

Committee: Police		Meeting Date: November 21, 2016																																		
Lead Department: Police		Presenter: Michael Gillette; Chief of Police																																		
Item Budgeted: ☐ Yes ☒ No ☐ N/A	<table border="1"><thead><tr><th>Account(s)</th><th>Budget</th><th>Expenditure</th></tr></thead><tbody><tr><td>61-20-91-99103</td><td>\$85,000.00</td><td></td></tr><tr><td>Item Requested</td><td></td><td>\$3,310.90</td></tr><tr><td>YTD Actual</td><td></td><td>\$0.00</td></tr><tr><td>Amount Encumbered</td><td></td><td>\$0.00</td></tr><tr><td> </td><td></td><td></td></tr><tr><td> </td><td></td><td></td></tr><tr><td>Total:</td><td>\$85,000.00</td><td>\$3,310.90</td></tr><tr><td colspan="3">Request is over/under budget:</td></tr><tr><td>Under</td><td></td><td>\$81,689.10</td></tr><tr><td>Over</td><td>-</td><td></td></tr></tbody></table>			Account(s)	Budget	Expenditure	61-20-91-99103	\$85,000.00		Item Requested		\$3,310.90	YTD Actual		\$0.00	Amount Encumbered		\$0.00							Total:	\$85,000.00	\$3,310.90	Request is over/under budget:			Under		\$81,689.10	Over	-	
Account(s)				Budget	Expenditure																															
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Under		\$81,689.10																																		
Over	-																																			
If amount requested is over budget, a detailed explanation of what account(s) the overage will be charged to will be provided in the Executive Summary or attached detail.																																				

Resolution 2016-R-__

A Resolution Authorizing the Village of Round Lake Police Department to Purchase One Seagate 6 Terabyte Internal Hard Drive Network Attached Server and Peripheral Fixed Cabinetry for the Police Department Camera system data storage from Paragon Micro of Lake Zurich, IL for \$3,310.90.

WHEREAS, Police Department Camera equipment is necessary police squad car and body based equipment and are a critical mechanism of police department essential functions concerning public safety; and

WHEREAS, the Round Lake Police Department has no other viable avenue from which to maintain a reliable Village owned and operated system than to purchase and install one Seagate 6 Terabyte Internal Hard Drive Network Attached Server and Peripheral Fixed Cabinetry to store Police Department Camera system data from Paragon Micro of Lake Zurich, IL for \$3,310.90.
; and

WHEREAS, the Village President and Board of Trustees find that making this purchase is fiscally prudent and in the interest of public health, safety and welfare; and

NOW THEREFORE BE IT RESOLVED by the Village President and Board of Trustees of the Village of Round Lake as follows:

1. Purchasing one Seagate 6 Terabyte Internal NAS Hard Drive and cabinetry from Paragon Micro of Lake Zurich, IL for \$3,310.90 is hereby authorized.
2. Paragon Micro quote #740631 price sheet dated 11-02-16 is attached hereto as Exhibit A is hereby approved.
3. The Mayor, or his designee, is authorized to perform such other actions required to carry out the Village's purchase, and to otherwise implement this resolution.

APPROVED:

Daniel A. MacGillis, Village President

ATTEST:

Patricia C. Blauvelt, Village Clerk

PASSED:

APPROVED:

AYES:

NAYS:

ABSENT:



Paragon Micro
 2 Corporate Dr
 Suite 105
 Lake Zurich, Illinois 60047
 United States
<http://www.paragonmicro.com>
 (P) (866) 380-8663
 (F) 847-637-8172

Quotation (Open)

Date Nov 02, 2016 10:03 AM CDT	Expiration Date 2017-01-01
Doc # 740631 - rev 1 of 1	
Description Synology DS1815+ / Seagate / Tripp	
SalesRep Russo, Jeff (P) 847-719-8417 (F) 847-637-8367	
Customer Contact Shields, Steve (P) 847-546-5400 sshields@eroundlake.com	

Customer
 Village of Round
 Lake (VO32529)
 Shields, Steve
 442 N. Cedar Lake Road
 Round Lake, IL 60073
 United States

Bill To
 Village of Round Lake
 Payable, Accounts
 442 N. Cedar Lake Road
 Round Lake, IL 60073
 United States
 (P) 847-546-5400
 sshields@eroundlake.com

Ship To
 Village of Round Lake
 Shields, Steve
 442 N. Cedar Lake Road
 Round Lake, IL 60073
 United States
 (P) 847-546-5400
 sshields@eroundlake.com

Customer PO:

Terms:
 Net 30

Ship Via:
 FedEx Ground

Special Instructions:

Carrier Account #:

#	Description	Part #	Tax	Qty	Unit Price	Total
1	Synology Disk Station DS1815+ NAS server - 8 bays - SATA 6Gb/s - HDD - RAID 0, 1, 5, 6, 10, JBOD - Gigabit Ethernet - iSCSI Customer Notes <empty>	DS1815+	Yes	1	\$898.99	\$898.99
2	Seagate Enterprise NAS HDD ST6000VN0001 Hard drive - 6 TB - internal - 3.5" - SATA 6Gb/s - 7200 rpm - buffer: 128 MB Customer Notes <empty>	ST6000VN0001	Yes	8	\$294.99	\$2,359.92
3	Tripp Lite Rack Enclosure Cantilever Mount Fixed Shelf Deep 2URM Rack shelf (cantilever) - black - 2U Customer Notes <empty>	SRSHELF2PDP	Yes	1	\$51.99	\$51.99

SALES TAXES ARE ESTIMATED and may change depending on the rates levied by the destination's tax jurisdiction at the time of invoicing.

Finalized invoice will be sent by Paragon Micro's Accounting Department.

Thank you for your order. We value your business and will continue to provide you with excellent service in addition to our comprehensive product line.

PRICING AND INFORMATION DISCLAIMER

Subtotal: \$3,310.90
 Tax (7.500%): ~~\$248.32~~
 Shipping: \$0.00
Total: \$3,310.90

[View in a browser](#)**QUOTE CONFIRMATION****DEAR GEORGE BOOTHE,**

Thank you for considering CDW•G for your computing needs. The details of your quote are below. [Click here](#) to convert your quote to an order.

CONVERT QUOTE TO ORDER

QUOTE #	QUOTE DATE	QUOTE REFERENCE	CUSTOMER #	GRAND TOTAL
HMGG918	11/1/2016	HMGG918	1875840	\$3,521.62

QUOTE DETAILS					
ITEM		QTY	CDW#	UNIT PRICE	EXT. PRICE
	Synology DiskStation DS1815+ NAS Server Mfg. Part#: DS1815+ UNSPSC: 43201835 Contract: MARKET	1	3536395	\$913.06	\$913.06
	Seagate Enterprise NAS HDD 6 TB Internal HDD Mfg. Part#: ST6000VN0001 UNSPSC: 43201803 Contract: MARKET	8	3555201	\$320.09	\$2,560.72
	Tripp Lite Rack Enclosure Cantilever Mount Fixed Shelf Deep 2URM Mfg. Part#: SRSHELF2PDP UNSPSC: 24102001 Contract: MARKET	1	3604103	\$47.84	\$47.84
SHIPPING DETAILS			SUBTOTAL	\$3,521.62	
Shipping Address: VILLAGE OF ROUND LAKE GEORGE BOOTHE 442 N CEDAR LAKE RD ROUND LAKE, IL 60073-2852 Phone: (847) 546-5400 Shipping Method: NiteMoves Local Super-Saver Payment Terms: Net 30 Days-Govt State/Local			SHIPPING	\$0.00	
			GRAND TOTAL	\$3,521.62	
CONVERT QUOTE TO ORDER					

Need Assistance? CDW•G SALES CONTACT INFORMATION


Jacob George | (866) 682-3510 | jacogeo@cdwg.com
Help and Information: [Support](#) | [About Us](#) | [Privacy Policy](#) | [Terms and Conditions](#)

This email was sent to gbooth@currenttech.net.
Please add cdwsales@cdwemail.com to your address book.

© 2016 CDW LLC, 200 N. Milwaukee Avenue, Vernon Hills, IL 60061 | 800.808.4239
SPS-QC:002 | SPS 1 | Customer#: 1875840 | SPS01105b4c-9a1f-41da-b38d-5eb7895aece7

Date 11/01/16
Quote # CTCQ16802
Quoted By MRhodes

Current Technologies
1423 Centre Circle
Downers Grove, IL 60515
630.388.0240
fax: 630.388.0241
currenttech.net



Quote | Order Form

Sold To:

Round Lake, Village of
Steven Shields
442 N. Cedar Lake Road
Round Lake, IL 60073
United States
Phone: (847) 546-5400
Fax:
sshields@eroundlake.com

Ship To:

Round Lake, Village of
Steven Shields
442 N. Cedar Lake Road
Round Lake, IL 60073
United States
Phone: (847) 546-5400
Fax:
sshields@eroundlake.com

NAS to hold backups of video, to take the place of existing Buffalo Terastation.

Line #	Description	Qty	Unit Price	Ext. Price
1	Synology DiskStation 8-Bay (Diskless) Network Attached Storage (NAS) DS1815+	1	\$1,011.67	\$1,011.67
2	Seagate ST6000VN0001 6 TB 3.5" Internal Hard Drive - SATA - 7200rpm - 128 MB Buffer	8	\$335.46	\$2,683.68
3	Tripp Lite Rack Enclosure Cabinet Cantilever Fixed Shelf 60lb Capacity 2URM - 2U Wide - Black - 59.52 lb x Maximum Weight Capacity	1	\$49.16	\$49.16
			Total	\$3,744.51

Any lease payments shown are estimates only and final figures will be provided by third party lender subject to credit approval. The purchase of products and/or services from Current Technologies are subject to the standard terms and conditions located at the following URL: <http://www.currenttech.net/terms> By signing this Quote/Order Form you are agreeing that you have read and agreed to the terms and conditions.

All software renewals require prepayment. Hardware/Software orders over \$2,500 require 50% payment up front, 50% due within 15 days of receipt. Pricing valid for 30 days from date of quotation. Labor not included unless explicitly stated in writing.

Shipping/Handling & applicable sales tax are not included in this quote and will be Invoiced.

Quote # CTCQ16802
Agreed and Accepted:

Round Lake, Village of

Date

PO #

Ordering Instructions: Email to: orders@currenttech.net or Fax to: 630-388-0241



VILLAGE OF ROUND LAKE

AGENDA ITEM SUMMARY

**TITLE: PURCHASE OF IN-CAR CAMERA EXTENDED WARRANTY
FROM DIGITAL-ALLY**

Agenda Item No. **C.O.T.W.**

Executive Summary:

The Police Department requests permission to purchase eleven (11) extended warranties for our Digital Ally DVM-800 in-car dash cameras. These cameras come with a two-year warranty and are slightly over one year old. The cameras are about \$3,000 each when purchased new. The extended warranty is a three-year warranty added onto the end of the manufactures purchase warranty and is \$500 each.

We have obtained a price quotes from Digital-Ally. The price quote is attached and outlined below. The Police Departments requests to purchase the extended warranties from Digital-Ally.

Price Quote

Digital-Ally - \$500.00 each. 11 @ \$500.00 ea. Total = \$5,500

Approve the purchase of eleven 3-year extended warranties from Digital-Ally for \$5,500.00

Committee: Police		Meeting Date: 11/21/2016																																								
Lead Department: Police		Presenter: M. Gillette																																								
Item Budgeted: ☒ Yes ☐ No ☐ N/A	<table border="1"><thead><tr><th>Account No(s):</th><th>Budget:</th><th>Actual Request:</th></tr></thead><tbody><tr><td>60-40-80-88024</td><td>\$15,450.00</td><td>\$5,500.00</td></tr><tr><td></td><td></td><td></td></tr><tr><td>YTD Actual as of</td><td></td><td>\$0.00</td></tr><tr><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td></tr><tr><td>Encumbered</td><td></td><td>\$0.00</td></tr><tr><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td></tr><tr><td>Total:</td><td>\$15,450.00</td><td>\$5,500.00</td></tr><tr><td colspan="3">Request is over/under budget:</td></tr><tr><td>Under</td><td></td><td>\$9,950.00</td></tr><tr><td>Over</td><td>-</td><td></td></tr></tbody></table>			Account No(s):	Budget:	Actual Request:	60-40-80-88024	\$15,450.00	\$5,500.00				YTD Actual as of		\$0.00							Encumbered		\$0.00							Total:	\$15,450.00	\$5,500.00	Request is over/under budget:			Under		\$9,950.00	Over	-	
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Over	-																																									
If amount requested is over budget, a detailed explanation of what account(s) the overage will be charged to will be provided in the Executive Summary or attached detail.																																										

Resolution 2016-R-____

**A Resolution Authorizing the Village of Round Lake Police Department to Purchase
Eleven 3-year extended Warranties for the Digital –Ally DVM-800 Squad Car Dash Cameras**

WHEREAS, Police Department Ballistic Shields are necessary police squad car based equipment and are a critical mechanism of police department essential functions concerning public safety; and

WHEREAS, the Round Lake Police Department has no other viable avenue from which to maintain a reliable Village owned and operated system than to purchase these warranties.

; and

WHEREAS, the Village President and Board of Trustees find that making this purchase from Digital-Ally for \$5,500 is fiscally prudent and in the interest of public health, safety and welfare; and

NOW THEREFORE BE IT RESOLVED by the Village President and Board of Trustees of the Village of Round Lake as follows:

1. Purchasing eleven extended warranties for the DV800 in-car dash cameras for \$5,500 is hereby authorized.
2. Digital-Ally price sheet is attached hereto as Exhibit A is hereby approved.
3. The Mayor, or his designee, is authorized to perform such other actions required to carry out the Village's purchase, and to otherwise implement this resolution.

APPROVED:

Daniel A. MacGillis, Village President

ATTEST:

Patricia C. Blauvelt, Village Clerk

PASSED:

APPROVED:

AYES:

NAYS:

ABSENT:



Quote	QUO-17851-W0Q0Z0
Date	11/2/2016
Page	1

9705 Loiret Blvd.
Lenexa, KS 66219
1-800-440-4947 www.digitalallyinc.com

Customer:

Round Lake Police Department
Commander Troy Akey
741 W. Town Line Road
Round Lake, IL 60073

Customer ID	Salesperson	Shipping Method	Payment Terms	Created By	Quote Valid	
ROUIL1	TH	FEDERAL EXPRESS	Net 30	Derek Butler	90 Days	
Ordered	Item Number	Description	Retail Price	Item Discount	Discount	Ext. Price
11	012-00035-00	Premium Package Option	\$500.00	\$0.00		\$5,500.00

Notes:

(11) Five Year (extended 3 year on existing 2 year warranty)
Advance Exchange Warranties-DVM-800 Premium Package
Option

Total Discount	
Subtotal	\$5,500.00
Misc	
Tax	\$0.00
Freight	
Total	\$5,500.00

Thank you for your interest in Digital Ally products. If you would like to place an order, please contact the Digital Ally Sales Team at 1-800-440-4947.

TERMS OF SALE

Your purchase of goods from Digital Ally, Inc., a Nevada corporation ("Digital Ally") will be governed by the following terms of sale ("Terms"). You will be referred to throughout these Terms as "you".

- 1. Exclusion of Other Terms; Entire Agreement.** Additional or different terms or conditions proposed by you (including any additional or different terms provided in a purchase order) will be void and of no effect unless specifically accepted in writing by Digital Ally. Digital Ally's sales invoice, these Terms, the warranty and any special conditions executed by you and Digital Ally (collectively, the "Order") supersedes and cancels all prior communications between us, whether verbal or written, and constitutes the entire agreement between us unless modified in writing and signed by each of us.
- 2. Payment.** Payment terms are cash on delivery, except where credit has been established and maintained to Digital Ally's satisfaction. If you have established credit, payment terms are net 30 days from date of shipment. Any invoice that you fail to pay when due will bear interest at the rate of 1-1/2% per month or the highest rate then permitted by law, whichever is less. You must also reimburse Digital Ally for its costs incurred (including internal administrative expenses and reasonable attorneys' fees) in the collection of your past due invoices.



Quote	QUO-17851-W0Q0Z0
Date	11/2/2016
Page	2

3.Security Interest. Digital Ally retains a security interest in all goods delivered to you and all proceeds until paid in full. You agree, without further consideration, at any time to do or cause to be done, all acts, and to execute and deliver, all such documents as Digital Ally may reasonably request in order to protect Digital Ally's security interest in the goods, including the filing of financing statements that Digital Ally may deem necessary to perfect its security interest.

4.Taxes. In addition to the purchase price, you must pay any sales, excise or similar taxes applicable to the transaction, unless you provide Digital Ally with a valid tax exemption certificate. You must pay use taxes, if applicable to the transaction, directly to the appropriate taxing authority.

5.Shipment. Digital Ally will use commercially reasonable efforts to comply with your shipping instructions. You must prepay all transportation and insurance charges prior to shipment. Unless otherwise stated by Digital Ally, all shipments will be F.O.B. (free on board) Digital Ally's manufacturing facility in Lenexa, KS.

6.Force Majeure. Digital Ally will not be liable to you for any loss, damage, delay, or failure of delivery resulting from causes that are beyond Digital Ally's reasonable control. DIGITAL ALLY WILL NOT BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SPECIAL DAMAGES FROM ANY DELAY WHATSOEVER.

7. Limitation of Liability. You assume all risk from your purchase and use of the goods. Neither you nor Digital Ally will be liable to the other for any consequential damages, punitive damages, special, incidental or exemplary damages suffered by the other in connection with its performance of its obligations under this Order. DIGITAL ALLY'S AGGREGATE LIABILITY UNDER THIS ORDER WILL NOT EXCEED AMOUNTS PAID BY YOU TO DIGITAL ALLY UNDER THIS ORDER.

8. Warranty; Limitations on Remedies. Digital Ally's warranty on the goods provided under the Order is set out in a separate statement, which sets forth the only warranty applicable to the goods sold under this Order. THAT WARRANTY IS GIVEN IN LIEU OF ALL OTHER WARRANTIES. THERE ARE NO WARRANTIES THAT EXTEND BEYOND DIGITAL ALLY'S WARRANTY STATEMENT. ALL IMPLIED WARRANTIES ARE DISCLAIMED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT, FITNESS FOR A PARTICULAR PURPOSE, AND WARRANTIES IMPLIED FROM A COURSE OF DEALING, COURSE OF PERFORMANCE OR USAGE OF TRADE. YOUR SOLE AND EXCLUSIVE REMEDY FOR A WARRANTY CLAIM WILL BE THE REPAIR OR REPLACEMENT OF THE GOODS.

9. Indemnity. You will defend Digital Ally, its managers, agents, employees, successors and assigns, (collectively, the "Indemnified Parties"), and will pay all damages, losses, costs and expenses, including reasonable attorney's fees, incurred by the indemnified party arising out of, or incidental to, your selection, purchase and use of the goods under this Order. This indemnification will survive the expiration or termination of this Order.

10. Risk of Loss. Risk of loss to goods purchased will pass to you at the earlier of the time the goods are (a) duly delivered to the carrier, or (b) duly tendered to you for delivery.

11.Acceptance; Claims for Shortage or Error. Delivered goods will be deemed accepted upon the earlier of your formal acceptance of the goods or the expiration of 30 days from receipt. If you discover upon initial inspection that (a) some or all of the goods are defective or (b) do not conform to Digital Ally's warranty, they may be returned to Digital Ally for replacement or a refund of the purchase price. Digital Ally is not responsible for goods lost or damaged in transit. You are solely responsible for filing claims against the carrier for any loss or damage. Digital Ally will furnish all available information and give any other reasonable assistance requested to assist you in filing a claim for delivery damage. Claims for shortages in shipment not chargeable against the carrier will not be considered unless notice is given within 10 days from date of receipt of goods.



Quote	QUO-17851-W0Q0Z0
Date	11/2/2016
Page	3

12. Compliance with Laws. Compliance with Laws. You will comply with all laws and regulations applicable to you, including those dealing with the purchase and distribution of the products purchased under these Terms ("Products"). You will further keep Digital Ally informed of any laws, regulations, governmental orders, or requirements, which affect the ordering, shipment, importation, sale, marketing, or distribution of the Products within your jurisdiction and will, in all cases, refrain from engaging in any activities or conduct, which would cause Digital Ally to be in violation of the laws of any jurisdiction. You agree at all times to comply with all United States laws or regulations, as they may exist from time to time, regarding export licenses or the control or regulation of exportation or re-exportation of products or technical data sold or supplied to you. Without limiting the generality of the foregoing, you specifically agree not to resell any Products purchased under these Terms to any party, if such a sale would constitute a violation of any laws or regulations of the United States. In conformity with the FCPA, you represent and warrant that neither you, nor any of your directors or any of your members, managers, officers, employees, or agents is an official agent, or employee of any foreign government or governmental agency or political party. You agree to promptly notify Digital Ally of the occurrence of any event, which would render the foregoing representation and warranty incorrect or misleading. In addition, you will at all times comply with all applicable laws of the United States concerning foreign corrupt practices or which in any manner prohibits the giving of anything of value to any official, agents or employee of any government, governmental agency, political party or any officer, employee, or agent thereof.

13. Governing Law; Jurisdiction and Venue. This Order and all disputes arising under this Order are exclusively subject to, governed by, and construed in accordance with the law of the State of Kansas, without regard to rules of conflicts of law. Any action relating to this Order must be brought in state or federal courts located in Johnson County, Kansas, and the parties hereby irrevocably consent to the exclusive jurisdiction of, and venue in such courts.

14. Prevailing Party's Attorneys' Fees. In the event of any litigation or arbitration related to this Order, the prevailing party will be entitled to recover from the non-prevailing party, the costs and expenses (including attorneys' fees) reasonably incurred by the prevailing party in connection therewith.

15. Cancelled Orders and/or Returns. All cancelled orders and/or product returns may be subject to a 20% restocking fee.

VuVault System Requirements

This is a quick reference guide to qualify on site machines for VuVault compatibility. These include specifications for minimum requirements and recommended machines. Our minimum requirements are higher on VuVault versus VideoManager to avoid issues for now and future released features to the program. **Computers that do not meet these requirements in many cases will work however we cannot guarantee stability or performance and will not support related issues.**

Standalone Software (with or without wireless software)

Minimum Requirements

- Intel® i-Series Dual Core Processor (2.0Ghz or higher)
- 4GB RAM
- Windows 7 Professional Operating System (32 or 64-bit)
- 40GB Free Space (Boot Drive)
- Storage Drive (Qualify customer)
- DVD+/- RW Drive
- Intel® HD4000 chipset or comparable video card
- 100Mb Network Connection
- USB 2.0 CF/SD Card Reader



VILLAGE OF ROUND LAKE

AGENDA ITEM SUMMARY

TITLE: PURCHASE OF TWO BALLISTIC SHIELDS

Agenda Item No. C.O.T.W.

Executive Summary:

The Police Department requests permission to purchase two (2) Police Ballistic Shields. These shields are brought out for each shift and are considered in-Squad Car equipment. Ballistic shields are made of Kevlar. They have an expiration date of five years. These two ballistic shields will add to our current supply of shields that were last purchased in February 2013.

This is a budgeted purchase request. We have obtained price quotes from three vendors. Those price quotes are attached and outlined below. The Police Departments requests to purchase two ballistic shields from Atlantic Tactical.com.

Price Quotes

Atlantic Tactical -	\$1,206.00 each.	Shipping @ \$72.36	2 @ Total = \$2,484.36
Galls -	\$1,515.00 each.	Shipping @ \$15.00	2 @ Total = \$3,045.00
911 Supply-	\$1,600.00 each.	Shipping @ \$75.00	2 @ Total = \$3,200.00

Approve the purchase of two Ballistic Shields from Atlantic Tactical.com for \$2,484.36

Committee: Police		Meeting Date: 11/21/2016																																					
Lead Department: Police		Presenter: M. Gillette																																					
Item Budgeted:	☒ Yes ☐ No ☐ N/A																																						
If amount requested is over budget, a detailed explanation of what account(s) the overage will be charged to will be provided in the Executive Summary or attached detail.	<table border="1"><tr><td>Account No(s):</td><td>Budget:</td><td>Actual Request:</td></tr><tr><td>01-40-80-88001</td><td>\$3,000.00</td><td>\$2,484.36</td></tr><tr><td> </td><td> </td><td> </td></tr><tr><td>YTD Actual as of</td><td> </td><td>\$0.00</td></tr><tr><td> </td><td> </td><td> </td></tr><tr><td>Encumbered</td><td> </td><td>\$0.00</td></tr><tr><td> </td><td> </td><td> </td></tr><tr><td> </td><td> </td><td> </td></tr><tr><td>Total:</td><td>\$3,000.00</td><td>\$2,484.36</td></tr><tr><td colspan="3">Request is over/under budget:</td></tr><tr><td>Under</td><td> </td><td>\$515.64</td></tr><tr><td>Over</td><td>-</td><td> </td></tr></table>			Account No(s):	Budget:	Actual Request:	01-40-80-88001	\$3,000.00	\$2,484.36				YTD Actual as of		\$0.00				Encumbered		\$0.00							Total:	\$3,000.00	\$2,484.36	Request is over/under budget:			Under		\$515.64	Over	-	
	Account No(s):	Budget:	Actual Request:																																				
	01-40-80-88001	\$3,000.00	\$2,484.36																																				
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	Encumbered		\$0.00																																				
	Total:	\$3,000.00	\$2,484.36																																				
Request is over/under budget:																																							
Under		\$515.64																																					
Over	-																																						

Resolution 2016-R-____

**A Resolution Authorizing the Village of Round Lake Police Department to Purchase
Two (2) Police Ballistic 3A Shields from Atlantic Tactical.com for \$2,484.36**

WHEREAS, Police Department Ballistic Shields are necessary police squad car and body based equipment and are a critical mechanism of police department essential functions concerning public safety; and

WHEREAS, the Round Lake Police Department has no other viable avenue from which to maintain a reliable Village owned and operated system than to purchase these ballistic shields.
; and

WHEREAS, the Village President and Board of Trustees find that making this purchase from Atlantic Tactical for \$2,484.36 is fiscally prudent and in the interest of public health, safety and welfare; and

NOW THEREFORE BE IT RESOLVED by the Village President and Board of Trustees of the Village of Round Lake as follows:

1. Purchasing Two (2) Police Ballistic 3A Shields from Atlantic Tactical.com for \$2,484.36 is hereby authorized.
2. Atlantic Tactical price sheet is attached hereto as Exhibit A is hereby approved.
3. The Mayor, or his designee, is authorized to perform such other actions required to carry out the Village's purchase, and to otherwise implement this resolution.

APPROVED:

Daniel A. MacGillis, Village President

ATTEST:

Patricia C. Blauvelt, Village Clerk

PASSED:

APPROVED:

AYES:

NAYS:

ABSENT:

ROUND LAKE POLICE DEPARTMENT

MEMORANDUM

DATE: October 26, 2016
TO: Chief Gillette
FROM: Commander Akey
REFERENCE: Ballistic Shield Quotes

I have located 3 vendors that sell the same shield that we currently have. The quotations listed below are for 2 ballistic shields including shipping.

- Atlantic Tactical – \$2484.36
- Galls - \$3045.00
- 911 Supply - \$3275.00

Please let me know how/when you would like to proceed.

Regards,

Cmdr. Akey





1.800.781.2677

[CONTACT US](#)[REQUEST A QUOTE](#)[TRACK YOUR ORDER](#)[STORE LOCATIONS](#)Welcome to
AtlanticTactical.com[SIGN IN](#)
MY ACCOUNT2
ITEMS\$2,412.00
TOTAL

Enter Keyword or Product

GO

[Promotions](#)[Brands](#)[Gift Cards](#)[Custom Badges](#)[Apparel & Uniforms](#)[Body Armor](#)[Duty Gear](#)[Equipment & Gear](#)[Firearms](#)[Flashlights](#)[Footwear](#)[Gear Bags](#)[Tactical Equipment](#)[Shop By](#)[Clearance](#)[Body Armor Clearance](#)[Women's](#)[NYPD](#)**My Shopping Cart**

Promo Code:

[Apply Promo](#)

Remove	Product	Unit Price	Qty	Total Price
	 Protech Mighty Mite 18"x30" 3A Shield "POLICE" id	\$1,206.00	2	\$2,412.00

[Update Cart](#)* If you have changed the quantity of any of your items,
please make sure to update the cart before checking out.**Total:**
\$2,412.00[Calculate Shipping Costs](#)[Show Details](#)[Continue Shopping](#)**RELATED PRODUCTS****Protech Assault-3 16x39**
Level 3+ Shield**Protech Entry One**
24"x36" Level 3A Shield**Protech Defender**
20"x34" Level 3A Shield**Protech Intruder Level**
3A Shield w/Light**Protech Mighty Mite**
18"x30" 3A Shield**Protech Entry Two**
24"x48" Level 3A Shield

+ \$ 72.36 shipping

 \$ 2484.36

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OUR STORY
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TRACK YOUR ORDER
FORGOT USERNAME OR PASSWORD
UPDATE YOUR SETTINGS & INFO

OUR STORY
NEWSLETTER SIGNUP
EMPLOYMENT OPPORTUNITIES




OUR CATALOG IS MAILED
3 TIMES PER YEAR
• ORDER BY MAIL
• VIEW ONLINE



Akey, Troy

From: Spagnuolo, Mario <Spagnuolo-Mario@galls.com>
Sent: Wednesday, October 26, 2016 10:36 AM
To: Akey, Troy
Cc: Lockett, Kevin
Subject: TE190 Pol

Troy,

I can do \$1515.00 on the TE190 Mighty Mite Entry Shield 18 x 30.
Shipping would be 15.00

- 1515 x 2 = 3030
SHIPPING 15
\$ 3045.00

I am copying my outside rep on this to see if he may know of a good sub to this item.

Thanks for the opportunity.

Mario Spagnuolo | Managed Account Representative - IL

1340 Russell Cave Road | Lexington, KY 40505 | 800.876.4242 ext. 2275 | Fax: 877.914.2557 | spagnuolo-mario@galls.com





911 Supply
4484 River Road N
Keizer, OR
US
97303

Phone Number: 503-393-4911
Email: sales@911supply.com



Mighty Mite Type IIIa Tactical Shield

Item : 1630



\$1600.00

SIZE

18 X 30 18"30"

X2 = \$3200⁰⁰

Shipping Information

If your order is time sensitive, please contact us for availability.

Product Description

Features:

- Manufactured with advanced composite, high-performance polyethylene fiber
- Curved rectangular design for added protection against angled shots
- Curved 4" x 10" (10.16cm x 25.4cm) multi-layered viewport for multiple-hit capability
- Unique ambidextrous, multi-position handle
- NIJ 0108.01 Type IIIA protection
- Carry strap with quick-release system
- Rake bar
- 18" x 30" (45.72cm x 76.2cm) coverage
- Weight: 14 lbs. (6.35 kg)

If your order is time sensitive, please contact us for availability.

+ SHIPPING \$75



VILLAGE OF ROUND LAKE

AGENDA ITEM SUMMARY

TITLE: COMPENSATION STUDY & STAFFING ANALYSIS RFP

Agenda Item No. COTW

Executive Summary:

A Compensation Study and Staffing Analysis was recommended in the Management's Overall Vision Evaluation (MOVE) memorandum and approved as part of the 2017 budget. The purpose of the Study is to review current job classifications and provide the Village with suggestions regarding internal and external pay equity and alignment with comparable communities. In addition, the Consultant will review the Village's current "Step" pay incentive program and provide recommendations for a performance oriented program.

A Request for Proposal (RFP) was extended to nineteen vendors and sealed proposals were received from two vendors. Based on the criteria set forth in the RFP, it was determined the proposal from GovHR is the most favorable for the Village of Round Lake.

Recommended Action:

Discuss for future Village Board and staff action.

Committee: Human Resources & Finance	Meeting Date: November 21, 2016		
Lead Department: Administration	Presenter: Brandy Schroff, Human Resources Manager & Steven J. Shields, Village Administrator		
Item Budgeted: ☒ Yes ☐ No ☐ N/A			
If amount requested is over budget, a detailed explanation of what account(s) the overage will be charged to will be provided in the Executive Summary or attached detail.	Account(s)	Budget	Expenditure
	01-20-73-77319	\$12,000.00	
Note:			
	Item Requested	\$38,000.00	\$20,750.00
	Encumbered		\$0.00
	Actual		\$0.00
	Total:	\$50,000.00	\$20,750.00
	Request is over/under budget:		
	Under		\$29,250.00
Over	-		



VILLAGE OF ROUND LAKE, ILLINOIS
Proposal for a Compensation Study and Staffing Analysis
November 3, 2016

INTRODUCTION

GovHR USA, LLC ("GovHR") is pleased to provide the Village of Round Lake with this Proposal for a Compensation Study and Staffing Analysis for the 30 classified bargaining and non-bargaining positions in the organization.

GovHR is a public sector management consulting firm specializing in executive recruitment and management consulting. We provide service to jurisdictions and agencies in a variety of contemporary issues, including management, financial, and human resources assistance. All services are provided solely for public jurisdictions and not-for-profit entities. A complete list of our clients is available on our website at www.govhrusa.com.

Our organization has a staff of twenty-three consultants, with its principal office in Northbrook, Illinois. GovHR has one of the most experienced professional staffs of any comparable public management consulting firm, and our consultants have extensive experience with classification and pay plan work. Ms. Joellen Earl, Chief Executive Officer of GovHR, will serve as the Project Manager on this Study, and she will be assisted by Mr. Lee Szymborski, Mr. Patrick Carey, and Ms. Judith Schmittgens. Biographies for each of the Consultants are included with the Proposal.

Ms. Earl's contact information is:

Joellen Earl
jearl@govhrusa.com
Telephone 847-380-3238
Facsimile 866-803-1500

QUALIFICATIONS

The company was formed as Voorhees Associates in 2009; however, most of our consultants also worked together previously at The PAR Group. The PAR Group was a public sector management consulting firm in business for over 30 years. In 2013, Voorhees Associates merged with GovTemps USA to form GovHR USA. We have a total of twenty-two consultants, both generalists and specialists (public safety, finance, parks, etc.), who are based in Arizona, Florida, Illinois, Indiana, Michigan and Wisconsin.

630 Dundee Road, Suite 130, Northbrook, IL 60062
Local: 847.380.3240 Toll Free: 855.68GovHR (855.684.6847) Fax: 866.401.3100 GovHRUSA.com

EXECUTIVE RECRUITMENT INTERIM STAFFING MANAGEMENT AND HUMAN RESOURCE CONSULTING

GovHR has conducted over 40 classification and compensation studies within the past 5 years. Without fail, every pay plan recommended by GovHR has been successfully implemented by the client. A list of GovHR's clients in the past three years and the Studies conducted for them is also attached to this Proposal.

GovHR maintains General Liability Insurance Coverage (\$1,000,000/\$2,000,000), Professional Liability Coverage (\$1,000,000) and Workers Compensation Insurance. If requested to do so, we will add the Village of Round Lake as an additional insured when we have agreed upon a contract for services. GovHR will provide evidence of financial responsibility in addition to the insurance limits noted above upon further clarification of this request.

SCOPE OF SERVICES

The Village of Round Lake would like a comprehensive review and update of its current classification and compensation system, including a benefits review and a staffing analysis for its 30 bargaining and non-bargaining positions, to ensure internal equity and competitiveness in the marketplace and the ability to attract and retain qualified employees. To accomplish these objectives, GovHR will perform the following steps (listed in the order that the work will be performed). Please note, we have specified several areas where we will need the Village's input/assistance.

NOTE: Several of the tasks that GovHR regularly includes in its classification review are listed in the RFP under the Scope of Services "Staffing Analysis" (e.g., reviewing and updating job descriptions, interviewing employees to determine current job functions, and review of exempt/nonexempt designations.) Although the RFP refers only to a "Compensation Study," the reference to internal equity indicates to GovHR that a review of the Village's classification system is required, and the work plan below includes a full classification and compensation study.

I. Meetings, Salary and Benefits Survey, Job Analysis.

DELIVERABLE: Start Up Documents

DELIVERABLE: Job Analysis Questionnaire Form

- **Study preparation and project meeting (1st trip/Project Manager).** Meet with Village of Round Lake representatives to discuss study methods, review organization charts, personnel rules and regulations, and the current classification and pay plans. We will seek to determine problem areas (including concerns regarding appropriate staffing), answer questions, and review the scope and schedule of work, and the data and assistance GovHR will need from the Village to accomplish this task. Prior to the meeting, GovHR will require copies of the organization charts for each department, all pay plans, the current personnel manual, union contracts and any other relevant information related to salaries in advance to make for a more productive initial meeting.
- **Establishing comparables**
DELIVERABLE: Group of Comparable Communities
Working with Village staff, and using our broad-based cohort methodology, we will determine a logical survey sample of "like" municipalities that impact the compensation market for the Village. In selecting public employers, we normally use criteria such as number of employees, population served, EAV, budget size, proximity, etc., the purpose of which is to select jurisdictions that are most comparable to the Village of Round Lake.

- **Employee Kickoff Meeting (2nd trip/Project Manager and Consultant)**

Shortly after the initial project meeting with the Round Lake representatives, the Consultants will meet with employees to explain the scope of the project and distribute Job Analysis Questionnaire (JAQ) forms. GovHR understands that many employees have not participated in this type of process before, and we take the time to carefully explain the purpose of the project to the employees and to answer any questions they may have. If any of the employees are not available when these first meetings are held, they can view a video presentation of the meeting. Employees will then be allowed two (2) weeks to complete the questionnaire. The questionnaires will also be reviewed by each employee's supervisor and returned to GovHR within three (3) weeks of distribution.

- **Prepare and send out salary and benefits surveys.**

GovHR will design and send out the salary and benefits surveys (under Village letterhead) to gather salary and benefits data for benchmark classifications in the comparable communities. To accomplish this, the Project Manager will work with Village representatives to select approximately 15 - 20 benchmark classifications from the Village's 30 classifications covered in the Study. These classifications will be chosen on the criteria of those that are most common in all communities and that cover all the various pay grades in Round Lake. In addition to job titles, brief position descriptions are included in the salary survey to make sure we are receiving salary data for "like" positions in the comparable communities.

Note: While GovHR will prepare all the materials to be sent out for the salary and benefit surveys, we have found that sending out the survey under the client's letterhead generates a better/faster response from the survey respondents than when it is sent out under our letterhead/name. In addition, the Village *may* be asked to make one follow up contact to those municipalities and private sector employers that do not initially respond to the survey request.

- **Job evaluation analysis and establishment of job classification system (3rd trip/Consultant Team).**

Upon return of the JAQs by the Village, GovHR will perform the following:

- Read each JAQ (up to 60) and corresponding Job Description (up to 30), in their entirety.
- Personally interview at least one (1) employee from each job classification to further understand the scope of their job.
- Apply a measurement system of job evaluation factors, using nine (9) main factors used in our job evaluation instrument in order to evaluate the internal/comparable worth of each job classification. Upon completion of the job evaluation measurements, a new Classification Plan for the non-bargaining positions will be developed. It is important to emphasize that the job, not the qualifications or performance of the incumbents, is being evaluated. Part of this process will include the evaluation of current job titles and the recommendation for any changes to same, assuring that the job title and related recommended pay range matches what the employee is actually doing.

Note: A formal job evaluation system, such as the one utilized by GovHR, is an attempt to objectify the reasons that jobs are compensated differently. Most compensation practitioners agree that three (3) basic factors are important in determining compensation. These are: (1) skills required; (2) responsibility; and (3) working conditions. The Equal Employment Opportunity Commission recognizes these three (3) basic factors, along with seniority and performance, as valid determinants of compensation. The nine (9) factors used by GovHR are essentially subdivisions of the first three (3) factors mentioned above.

In addition, it is GovHR's practice that, under Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act (ADA), and the Age Discrimination of Employment Act (ADEA), it is illegal to discriminate in any aspect of employment. GovHR will not use discriminatory practices on the basis of race, color, religion, sex, national origin, disability, or age when performing a classification analysis. Decisions and recommendations will not be based on stereotypes or assumptions about the abilities, traits, or performance of individuals of a certain sex, race, age, religion, or ethnic group, or individuals with disabilities.

- Based on the results of the job evaluation process outlined above, assign all classifications to skill levels.
Note: Logical breaks in the continuum of points determine the skill levels used for determining the classification system. For example, skill level 1 might contain jobs that scored between 185 and 200 points, skill level 2 between 205 and 220 points, and so on.
- Review the results of the job evaluation exercise with Village representatives, and revise as necessary.
- Review and determine FLSA exempt/nonexempt status for each of the positions under the recently announced FLSA guidelines.
- Staffing Analysis – GovHR will review written pertinent materials pertaining to the Village and the services delivered including budget documents, policies and procedures manuals, collective bargaining agreements and operational studies or reports, and will make recommendations for appropriate staffing levels based on these materials and the information obtained through employee interviews and meetings with key personnel in each department. If appropriate, GovHR can also include questions on the salary survey regarding staffing levels in the comparable communities, and can provide further analysis based on this information for an additional fee (scope of staffing analysis to be discussed and determined at the initial project meeting).

II. Salary and Benefit Survey Analysis.

DELIVERABLE: Salary Survey Data

DELIVERABLE: Benefit Survey Data

DELIVERABLE: New Salary Schedules

The following steps will be included in this component of the Study:

- Tabulate, summarize, and analyze comparative compensation information obtained through the surveys. Our pay tabulations compare the Village's salaries for the surveyed positions, with the average minimum and the average maximum of the survey data for each surveyed class, when possible. Data is displayed for each jurisdiction on each class and summarized in an overall table. This data is analyzed to determine the percentage difference between the Village's present pay for each class and the survey data.
- The Consultants will work with the Village at the initial meeting to determine the Village's policy with respect to compensation (i.e., 50th percentile; 75th percentile, etc.). Once this is determined, the Consultants will use the salary survey data to develop and recommend new salary schedules for the Village's 30 classifications. This process will include a recommendation regarding how employees are inserted into the new plan and how they move through the proposed pay plan (either via a merit system or defined merit increment plan), with recommendations for a specific

performance oriented program with respect to salary advancement through the new salary ranges. The salary schedules will outline what the specific percentages are between ranges and grades. GovHR always recommends that there be a merit component associated with the granting of wage adjustments and a recommendation for this will be included in the Village's report.

- Tabulate, summarize, and analyze comparative benefit information obtained through the survey. Make suggestions and recommendations where Village benefits are inconsistent with the survey group. (*Note:* Regarding health benefits, GovHR typically requests respondents to provide information regarding employee and employer contribution amounts and for a copy of their health summary, which is provided to the Client. If a more detailed analysis is desired, GovHR can provide this for an additional cost at our hourly rate.)

III. Progress Reports (4th Trip/Project Manager)

GovHR prides itself on our attention to and communication with our clients as the project proceeds and we will strive to maintain regular contact with the Village's representative and to be available to address the Client's questions and concerns.

GovHR will make regular progress reports to the Village as requested, particularly at critical points in the Study. Additionally, the Project Manager will meet with the Village representative, and, if requested, other key Village staff such as Department Heads, to review the results of the job evaluation exercise and the proposed new salary schedules.

IV. Draft and Final Report Preparation

DELIVERABLE: Draft and Final Report

A draft report will be prepared by the Consultants and sent electronically to the Village that includes:

- An Executive Summary highlighting the overall scope of the Study and the general observations, outcomes and recommendations contained within the Report;
 - A summary of all aspects of the Study, including recommendations, methods and guidelines for achieving the overall aspects of the Study as well as recommendations for annual maintenance and review of the new plans;
 - Pay range options that are consistent with the Village's pay policy, outlining the pros and cons of each option;
 - Assignment of each non-bargaining position to an appropriate classification and pay grade based on internal equity and marketplace considerations;
 - Recommendations on keeping the plan current, equitable and up to date over the next ten years.
- Once the Village representatives return review comments, a final report (one hard copy and one electronic copy for reproduction) will be prepared and sent to the Village.

V. Presentation of Findings (5th Trip/Project Manager)

The Project Manager will make a presentation of findings to Village management detailing the final results of the Study. The final report will include a procedure manual and appropriate forms for Human Resources staff and/or supervisors to maintain the recommended classification and pay plan(s).

VI. Job Description Update

GovHR will update the Village's job descriptions to reflect current job duties, education and experience requirements, requisite knowledge, abilities and skills and physical requirements. Fees for this service are in addition to the quoted price of the Study; see Cost of Services section below.

PROPOSED PROJECT TIMELINE

GovHR is available to start this project within two weeks of acceptance of its proposal. A Study of this size would normally take approximately 120 days. This timetable is, however, contingent upon the timely response from the comparable municipalities supplying the salary data, as well as the timely response of the Village of Round Lake employees in returning the JAQs. Any delays in receipt of these pieces of information are beyond the control of GovHR and will lengthen the completion of the report.

Following is a detailed breakdown of the work schedule:

- Week 1: Meet with Human Resources representatives to discuss Study methodology and expectations; determine and agree upon scope of staffing analysis and other deliverables.
- Week 2: meet with employees to hand out JAQs and explain the purpose of the Study and the process; prepare and distribute salary and benefit surveys to comparable communities.
- Week 3 to 5: Return of JAQs and salary surveys.
- Week 6: Reading of JAQs and job descriptions.
- Week 7: Return with Consultant Team to interview employees.
- Week 8 and 9: Analyze data; prepare new classification and compensation plans.
- Week 10: Send draft findings to Round Lake.
- Week 11: Meet with key Village representatives to review preliminary findings.
- Week 12 to 13: Prepare Draft Report and send to Round Lake.
- Week 14: Get return comments from Round Lake.
- Week 15: Prepare Final Report.
- Week 16: Present Report to Village Management.
- Updating of job descriptions – done as requested.

GovHR is mindful of the Client's desire to have a finished quality product within a reasonable time after initiating a Study of this kind, and we pride ourselves in adhering to this timeframe. Our past clients will confirm our diligence in delivering our report and other deliverables on time.

COST OF SERVICES

The cost of the services described in GovHR's proposal is based on the time of our professional and support staff to complete it, as well as travel/transportation costs and miscellaneous expenses such as report reproduction, postage and supply expenses. We estimate the maximum cost of the project on the basis of the above factors and propose a not-to-exceed fee inclusive of expenses. It is expected that the Village will provide office and/or conference room space, access to a telephone, and photocopying/printing support while our staff is in residence.

In keeping with the above statement of our usual practices, we estimate the fee for the entire study to be **\$19,750 (\$19,250 for professional fees and \$500 for expenses)** and will agree to complete the study for this **fixed fee of \$19,750** plus Job Description Updates and other Optional Services – see below. We have listed the cost of our professional fee for each study component below.

Payment will be due as follows: 50% of the professional fees (\$9,625) will be due at the time the contract is signed, and the remaining 50% (\$9,625) plus expenses will be billed after the Study is completed. Invoices will be sent to the Village and are payable within 30 days of receipt, after which a 2% monthly interest charge will accrue. If the Village requests Job description updates, a separate invoice will be sent after they are completed.

<u>Study Phase Breakdown</u>	<u>Hour Breakdown</u>	<u>Cost</u>
I. Meetings, Salary and Benefit Survey, Job Analysis		
Study preparation and project meeting (1 st trip/Project Manager)	10 hours	\$1,250
Establishing comparables	8 hours	\$1,000
Employee kickoff meetings (2 nd trip/Project Manager)	4 hours	\$ 500
Prepare and send out salary and benefit surveys	8 hours	\$1,000
Job evaluation analysis and establishment of job classification system	8 hours	\$1,000
➤ reading of up to 60 JAQs/30 JDs	28 hours	\$3,500
➤ employee interviews (3 rd trip/Consultant Team)	12 hours	\$1,500
➤ analyzing data and establishing classes	6 hours	\$750
➤ assigning of skill levels	6 hours	\$750
➤ review of exempt/nonexempt status	8 hours	\$1,000
➤ review and recommendations on staffing	6 hours	\$750
➤ review and evaluation of preliminary analysis with Village representatives		
II. Salary and Benefits Survey Analysis		
Analyzing salary survey data	12 hours	\$1,500
Establishing new salary schedules	6 hours	\$750
Analyzing benefit survey data	4 hours	\$500

III. Meet with Village to Review Data and Job Classifications (4th trip/Project Manager)	6 hours	\$750
IV. Draft and Final Report Preparation		
Writing draft report	12 hours	\$1,500
Final report	4 hours	\$500
V. Presentation of Findings (4th trip)	6 hours	\$750
PROJECT HOUR AND COST TOTAL	154 Hours	\$19,250 plus expenses
Updates to Job Descriptions – see below.		

NOTE: If the Village of Round Lake accepts our proposal for this project, GovHR will for one (1) year from the date of the signature of this agreement, provide support services at no additional cost. This will include any telephone communication necessary by the staff regarding any questions concerning the report.

OPTIONAL SERVICES/EXPENSES:

Progress Reports – It is customary to have periodic telephone conversations throughout the Study to give progress reports. There will be no charge for these periodic telephone updates.

Additional Site Visits – If the Village chooses to have the Consultants make an additional on-site visit to present the findings of the Study to the Village employees, or any other additional on-site visits, there would be an additional cost of \$500 for professional fees and expenses per visit.

Job Descriptions – Updates to existing job descriptions cost \$150.00 each; new job descriptions, if needed, cost \$250.00 each. The job descriptions are done after the rest of the Study is complete, and are billed separately.

Additional Costs/Staffing Analysis: At the initial project meeting, the Project Manager will review the Staffing Analysis expectations with the Village. If an external comparison of staffing levels is desired, there will be an additional fee of \$1,000 for a survey of the comparable communities and a comparison to the Village's staffing levels.

This quote is good for a period of three months from the date of the Proposal, after which prices may increase.

REFERENCES AND CONTACT INFORMATION

Park District of Highland Park, Illinois
 Classification and Compensation Study
 Contact: Liza McElroy, Executive Director
lmcelroy@pdhp.org
 Telephone: (847) 579-3108

Village of Hanover Park, Illinois
Classification and Compensation Study
Contact: Juliana Maller, Village Manager
jmaller@hpil.org
Telephone: (630) 823-5610

City of Burlington, Iowa
Classification and Compensation Study
Contact: Stephanie Stuecker/Director of Administrative Services
400 Washington Street
Burlington, Iowa 52601
stueckers@burlingtoniowa.org
Telephone: (319) 753-8178

A list of the Studies completed by GovHR in the past three years is included as an attachment to this Proposal, and a complete list of our clients can be found on our website at www.govhrusa.com.

CONCLUDING REMARKS

In closing, GovHR is a public sector management consulting firm devoted to assisting only public sector entities. We believe that the team assembled for conducting the proposed study for the Village of Round Lake is of the highest caliber and qualifications. GovHR appreciates your consideration of this Proposal and looks forward to the opportunity to work with the Village of Round Lake.

Sincerely,



Heidi Voorhees
GovHR USA, LLC

Attachments: Proposed Project Team Biographies
Project List

APPENDIX - CONSULTANT BIOGRAPHIES

Joellen C. Earl

Co-Owner, GovHR USA, LLC

President/Co-owner – GovTempsUSA

Joellen Earl is the Co-Owner of GovHR USA, LLC, a company that combines Voorhees Associates, LLC and GovTempsUSA, LLC. GovHR USA focuses on recruitment, interim staffing, management and human resources consulting and professional development. Prior to creating GovHR USA, Ms. Earl founded GovTempsUSA along with Ms. Heidi Voorhees. She has managed the day-to-day operations of the interim staffing firm since its inception in 2011 and has overseen numerous human resources studies, recruitments and related projects.

Ms. Earl is currently serving as the Project Manager on Classification and Compensation Studies in Illinois, in Arlington Heights, the Elmhurst Park District, Plainfield and Mount Prospect; other current studies include Windsor, Connecticut and Eastham, Massachusetts. She recently managed and completed studies in Dixon, Franklin Park, Glencoe, Highland Park, Machesney Park, Romeoville, Sterling, and Westmont, Illinois; in Wisconsin: Cross Plains, Franklin, Lodi, and New Berlin, and in Southborough, Massachusetts.

Ms. Earl is regarded for the commitment and dedication she has shown in her service to local government over her twenty-four year career. She is a seasoned manager, with expertise in public sector human resources management. She has worked in three states: Massachusetts, North Carolina and Illinois; and in six jurisdictions, with populations ranging from 15,000 to 150,000: Holden, Northborough, Yarmouth and Barnstable, Massachusetts; Catawba County, North Carolina; and Evanston, Illinois. She has held positions from Human Resources Director and Administrative Services Director to Assistant Town Manager and Assistant County Manager. Ms. Earl has worked in forms of government ranging from Open Town Meeting to Council-Manager and has supervised all municipal and county departments ranging from Public Safety and Public Works to Mental Health and Social Services.

One of Ms. Earl's significant abilities is to think and act strategically. She has the proven ability to start with a conceptual idea, identify stakeholders, develop a scope of work, supervise the agreed upon process, and deliver desired outcomes.

In addition, she is adept at assessing service delivery, identifying efficiencies and areas of opportunities and implementing recommendations. In Evanston, she took a newly formed department of Administrative Services and improved operations in all areas: Finance, Human Resources, Information Technology and Parking Operations, with a 30% reduction in staff.

Ms. Earl holds an undergraduate degree in Economics from Worcester State College in Worcester and a Master of Public Administration degree from Northeastern University in Boston, MA. She is a proponent of continuing education and continuous learning. She attended the Senior Executive Institute, Leading, Educating and Developing (LEAD) Program, at the University of Virginia's Weldon Cooper Center for Public Service in 2008.

Ms. Earl has valued her professional affiliations throughout her career and has been privileged to serve on numerous local, state and national committees. A highlight was serving on the International City/County Management Association (ICMA) Executive Board from 2001 to 2003. Ms. Earl is married, has two children and is active in her children's schools and church community.

Lee Szymborski**Senior Vice President****GovHR USA**

Lee Szymborski is a Senior Vice President with GovHR USA, working on both executive search and general management consulting assignments. He has more than 33 years of experience in local government administration.

Mr. Szymborski's experience spans both Wisconsin and Illinois communities. Mr. Szymborski served more than 15 years as City Administrator in Mequon, Wisconsin. Mequon is a full-service city with \$30 million in combined budgets, and more than 170 employees serving 23,000 residents. In addition to his Wisconsin service in Mequon, he also worked for the City of Wauwatosa and Milwaukee County. In Illinois, he served for 12 years as Assistant Village Manager in Buffalo Grove.

Mr. Szymborski's track record points to a results-oriented approach to municipal government management. That is demonstrated by his work including the purchase of a \$14 M private water utility that has seen its customer base increase under city ownership (Mequon); reorganizing city departments and reducing workforce costs in an organizationally sensitive manner (Mequon); spearheading a 10- community oversight committee to secure the startup of commuter rail service (Metra) on the WI Central railway (Buffalo Grove); and re-purposing TIF funds to provide incentives that secured a \$16 M mixed-use development in Mequon's Town Center. He is additionally skilled in budgeting, personnel administration, community engagement efforts and strategic planning.

Mr. Szymborski's experience in recruiting key staff extends back to his management roles in both Buffalo Grove and Mequon. In Buffalo Grove, he handled for the Village Manager all aspects of recruiting the management team. During his time in Mequon, Mr. Szymborski recruited all members of the City's management team.

Since joining GovHR USA in 2014, Mr. Szymborski has assisted or managed more than 30 executive searches for communities in Wisconsin, Illinois, Missouri and Massachusetts, as well as non-profit agencies including the International City/County Management Association. His recent searches include Administrator and department head positions for the Wisconsin communities of Wauwatosa, Oak Creek, Cedarburg (Town), Middleton, and Beloit (Town). His work for Illinois municipalities include, among others, East Peoria, Washington and DeKalb. He has also managed local government searches in Missouri and Massachusetts. He has done management studies for several Wisconsin and Illinois communities and has facilitated strategic planning retreats and written plans for the City of Eau Claire and the Wisconsin City/County Management Association. He has also been part of GovHR USA's classification and compensation studies in several Wisconsin and Illinois communities.

Mr. Szymborski has published articles in Public Management magazine, and is an adjunct instructor at Upper Iowa University – Milwaukee Center. He holds a B.A. in Political Science, and an M.S. in Urban Affairs, both from the University of Wisconsin – Milwaukee. He is an active member of the Mequon-Thiensville Sunrise Rotary Club, and is a past-president of the club. Mr. Szymborski serves on the Board of Directors for the Mequon Nature Preserve. He is a recipient of the Mequon – Thiensville Chamber of Commerce's Distinguished Service Award. He has also served in leadership roles with the International City/County Management Association, the Wisconsin City/County Management Association, the Illinois City/County Management Association and the Illinois Association of Municipal Management Assistants (past-president).

Judith M. Schmittgens

Compliance and Client Relations Manager
GovHR USA, LLC

Judy Schmittgens joined the Company in 2013 as the Compliance and Client Relations Manager for GovHR. She handles the company's licensing and certification requirements, monitors legislation pertinent to the company's business operations, and maintains the corporate records. She also assists with drafting proposals for classification and compensation studies and other business procurement opportunities, and has assisted with employee meetings and interviews for studies in Arlington Heights, Elmhurst Park District, Plainfield, Glencoe, Romeoville, Richton Park, Villa Park, Dixon and Sterling, Illinois; in Cross Plains, Franklin and Waukesha, Wisconsin; in Eastham, Massachusetts, and in Windsor, Connecticut. Ms. Schmittgens is responsible for reviewing job descriptions for legal compliance with ADA and FLSA requirements, and has written job descriptions and performed job description updates for numerous municipalities.

Ms. Schmittgens is an Illinois licensed attorney and has been in private practice for the past eighteen years. Prior to that, she was the Senior Counsel and Manager of Government Affairs for Interstate National Corporation (a division of Fireman's Fund Insurance Company), where she was responsible for contract and policy review, company and agent licensing, and litigation management.

Ms. Schmittgens received her law degree from Indiana University and her Bachelor's Degree in Political Science from Illinois State University.

Patrick W. Carey

Vice President
GovHR USA

Patrick W. Carey brings over 37 years of public sector management and consulting experience to GovHR USA, and is now working on a range of projects for public sector and not-for-profit agencies. Most recently, he assisted on the Classification and Compensation Study in Plainfield, Illinois, and was responsible for interviewing the public safety employees.

Mr. Carey began a law enforcement career with the Glenview, IL Police Department in 1976, and rose through the ranks to become Deputy Chief of Police in 1987. In 1996 he was chosen to become the Chief of Police for Libertyville, IL, and served in that position until retiring in 2010.

Mr. Carey joined the Illinois Law Enforcement Alarm System (ILEAS) in 2010 as the Regional Emergency Planning Coordinator for the 110 law enforcement agencies in the Illinois counties of Lake, McHenry and northern Cook. He was promoted to Chief of Staff during his work with ILEAS.

During his career, Mr. Carey served on the executive committees and boards of several intergovernmental agencies and associations, including as President of the Northeastern Illinois Regional Crime Laboratory, Lake County Chiefs of Police Association, and as Treasurer for the Northern Illinois Police Alarm System (NIPAS), Secretary for Region 4 of ILEAS, and on the Board of Directors for both the Lake County Metropolitan Enforcement Group and Central Lake County Law Enforcement Communications Consortium. He also served on the Illinois Chiefs Association committee to form ILEAS, the statewide law enforcement mutual aid consortium beginning in 2002, which now includes more than 900 governmental agencies within Illinois as members, and is a continuing effort that remains unique within the United States.

Mr. Carey's experience includes extensive work on policy and procedure analysis, including original development of practices to meet new requirements, and for modernizing existing practices to improve risk management aspects, to meet budgetary constraints, and to improve operational efficiency. Those efforts included development of a sustainable police operational analysis to meet the requirements of national accreditation and re-accreditation, development of internal affairs processes, fine tuning recruitment and promotional systems, analysis of comparables for negotiation of labor agreements and compensation analysis studies. Mr. Carey also led the successful development of an employment system for ILEAS, where 75 independent contractors were converted to employees, including preparation of job descriptions, determination of FLSA status, employment conditions, pay and salary scales, payroll practices and employment rules and regulations. He has participated during the selection processes of a variety of governmental positions and promotions, with experience assessing thousands of resumes and job applications, and has served extensively as an interviewer. Mr. Carey has also worked at several locations across the United States as a consultant for a large medical supply company, providing training on early recognition and intervention for workplace violence situations, facility security risk reduction methods, and development of policies for employee access systems.

Mr. Carey has an undergraduate degree from Northwestern University, majoring in Organizational Behavior, and a Master of Science from National Louis University (formerly National College of Education), in Management & Development of Human Resources. He is also a graduate of the Northwestern University Police Administration Training Program.

GovHR CURRENT AND COMPLETED PROJECT LIST (3-YEAR HISTORY)		
Client	Study	Year Completed
Algoma Sanitary District, Wisconsin	Compensation Study	In progress
Arlington Heights, Illinois	Classification and Compensation Study	In progress
Des Plaines, Illinois	Classification and Compensation Study	In progress
Eastham, Massachusetts	Classification and Compensation Study	In progress
Elmhurst Park District	Classification and Compensation Study	In progress
Geneseo Park District, Illinois	Strategic Plan	In progress
South Barrington, Illinois	Classification and Compensation Study	In progress
South Barrington, Illinois	Police Staffing Analysis	In progress
Windsor, Connecticut	Classification and Compensation Study	In progress
Morton Grove, Illinois	Executive Coaching and Strategic Plan	In progress
Plainfield, Illinois	Classification and Compensation	In progress
Burlington, Iowa	Classification and Compensation	2016
Glencoe, Illinois	Classification and Compensation	2016
Machesney Park, Illinois	Compensation, Job Descriptions	2016
New Berlin, Wisconsin	Classification and Compensation	2016
Niles, Illinois	Compensation	2016
Pekin, Illinois	Organizational Analysis	2016
Riverside/ North Riverside, Illinois	Dispatch Consolidation Project	2016
Winnetka Park District, Illinois	Strategic Plan	2016
Berlin, Wisconsin	Classification and Compensation	2015
Dixon, Illinois	Classification and Compensation	2015
Evansville, Wisconsin	Compensation	2015
Franklin Park, Illinois	Compensation	2015
Franklin, Wisconsin	Classification and Compensation	2015
Oregon, Illinois	Compensation and Benefits	2015
Oshkosh, Wisconsin	Public Works Department Analysis	2015
Park District of Highland Park, Illinois	Classification and Compensation	2015
Plymouth, Wisconsin	Recreational Services Analysis	2015
Portage, Wisconsin	Organizational Analysis	2015
Romeoville, Illinois	Classification and Compensation, Staffing Analysis	2015
Schiller Park, Illinois	Police Department Analysis	2015
Southborough, Massachusetts	Classification and Compensation	2015
Sterling, Illinois	Classification and Compensation	2015
Vernon Hills	Public Works Department Analysis	2015
Waukesha, Wisconsin	Classification and Compensation, Job Descriptions	2015
Waupaca, Wisconsin	Job Descriptions	2015
Westmont, Illinois	Compensation	2015

Baraboo District Ambulance Service, Wisconsin	Compensation	2014
Carpentersville, Illinois	HR Analysis	2014
Crest Hill, Illinois	Classification and Compensation	2014
Cross Plains, Wisconsin	Classification and Compensation	2014
Eau Claire, Wisconsin	Strategic Plan	2014
Hainesville, Illinois	Classification and Compensation, Job Descriptions	2014
Lodi Utilities, Wisconsin	Classification and Compensation	2014
Lodi, Wisconsin	Classification and Compensation	2014
Richton Park, Illinois	Classification and Compensation, Job Descriptions	2014
Wood Dale Park District, Wood Dale, Illinois	Classification and Compensation	2014
Wood Dale, Illinois	Organizational Assessment	2014

The proposer will consider all costs (labor, material, overhead, administration, profit, travel, etc.) associated with providing the services listed in this RFP. Please include the price proposal sheet with your proposal.

\$ \$10,000

\$ \$9,250

Total Project Cost \$ \$19,250 + Expenses \$500

Updates to Job Descriptions	
	\$ \$150 each
	\$ _____
	\$ _____
	\$ _____
	\$ _____
	\$ _____



Addendum Acknowledgement

The undersigned acknowledges receipt of the following addendum(s):

ADDENDUM #	SIGNATURE
1	<i>Heidi Voorhees</i>

I have examined and carefully prepared the submittal documentation in detail before submitting my response to Village of Round Lake.

Company Name: GovHR USA
Authorized Representative: *Heidi Voorhees*
Authorized Representative: *Signature*
Authorized Representative: Heidi Voorhees
Print
Date: November 2, 2016

It is the vendor's responsibility to check for addendums, posted on the website at www.eroundlake.com prior to the submittal due date. No notification will be sent when addendums are posted.

Submittals that do not acknowledge addendums may be rejected.