

Village of Algonquin, Illinois

Comprehensive Annual Financial Report
Year Ended April 30, 2015



Assurance ■ Tax ■ Consulting

Village of Algonquin, Illinois

Comprehensive Annual Financial Report
Year Ended April 30, 2015

Issued by the Finance Department

Michael J. Kumbera
Treasurer

Susan Skillman
Comptroller

Village of Algonquin, Illinois

Comprehensive Annual Financial Report

Year Ended April 30, 2015

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Village of Algonquin, Illinois
Principal Officials

April 30, 2015

Legislative

Village Board of Trustees

John C. Schmitt, Village President

Brian Dianis

Robert M. Smith

Jerry Glogowski

John Spella

Debby Sosine

Jim A. Steigert

Gerald S. Kautz, Clerk

Appointed Officials

Tim Schloneger, Village Manager

Michael J. Kumbera, Treasurer



Village of Algonquin

The Gem of the Fox River Valley

October 13, 2015

The Honorable Village President
Members of the Board of Trustees and Village Manager
Village of Algonquin
Algonquin, Illinois 60102

The Comprehensive Annual Financial Report (CAFR) of the Village of Algonquin, Illinois (the Village), for the fiscal year ended April 30, 2015, is hereby submitted as mandated by local ordinances and state statutes. These ordinances and statutes require that the Village issue annually a report on its financial position and activity presented in conformance with generally accepted accounting principles (GAAP) in the United States of America and audited in accordance with generally accepted auditing standards (GAAS) by an independent firm of certified public accountants.

This report consists of management's representations concerning the finances of the Village of Algonquin. The Village is responsible for the accuracy and fairness of the presentation of the financial statements and other information as presented herein. The data presented in this report is believed to be accurate in all material respects, and all statements and disclosures necessary for the reader to obtain a thorough understanding of the Village's financial activities have been included. To provide a reasonable basis for making these representations, management of the Village has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient, reliable information for the preparation of the Village of Algonquin's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Village's comprehensive framework of internal controls has been designed to provide reasonable assurance rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Village's financial statements have been audited by McGladrey LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Village of Algonquin for the fiscal year ended April 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon audit, that there was a reasonable basis for rendering an unqualified opinion that the Village's financial statements for the fiscal year ended April 30, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Village's MD&A can be found immediately following the report of the independent auditors.

Profile of the Village of Algonquin

The Village of Algonquin, a home rule community as defined by the Illinois Constitution, was incorporated in 1890 and is located approximately 45 miles northwest of the City of Chicago in McHenry and Kane Counties. Algonquin has a land area of 12 square miles and a population of 30,046 as certified in the 2010 Decennial Census. The Village also has the power by state statute to extend its corporate limits by annexation, which is done periodically when deemed appropriate, by the Village Board.

Policy making and legislative authority are vested in the Village Board, which consists of the President and six trustees. The Village Board is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring the Village Manager. The Village Manager is responsible for carrying out the policies and ordinances of the Village Board, for overseeing the day-to-day operations of the Village, and for appointing the heads of the Village's departments. The Board is elected on a non-partisan basis. Board members are elected to four-year staggered terms with three Board members elected every two years. The President is elected to a four-year term. The President and Village Trustees are elected at large.

The Village provides a full range of services including police protection, the construction and maintenance of streets and other infrastructure, community development, recreation, general services administration and the operating of the water and wastewater facilities.

The annual budget serves as the foundation for the Village's financial planning and control. All departments of the Village are required to submit their budget requests to the Village Manager on or before January 31 of each year. The Village Manager and staff use these requests as the starting point for developing a proposed budget which will match anticipated revenues. The Village Manager then presents the Manager's Proposed Budget to the Village Board throughout January, February and March of each year. The Village Board is required to hold a public hearing on the proposed budget and to adopt a final budget no later than April 30 of each year; the close of the Village's previous fiscal year.

Major Initiatives

The Village staff, following specific goals of the Village Board and the Village Manager, has been involved in a variety of projects throughout the year; projects which reflect the Village's commitment to ensuring that its citizens are provided cost effective and quality services.

Examples of some of these projects are as follows:

Accomplishments

Groot began providing residential refuse, recycling, and yard waste services to Algonquin in September 2014, replacing the incumbent provider Waste Management. Groot submitted the lowest responsible response from a request for proposals issued by the Village. The volume-based program was replicated with the new waste hauler for residential properties in the community.

To more accurately assess the condition of Algonquin's street network, the Village retained Infrastructure Management Services (IMS) to provide analysis of surface condition and the underlying base of local roadways. This assessment will help with capital improvement planning by determining the severity of repair (resurfacing, rehabilitation, reconstruction) as well as developing financial models to maintain infrastructure at a sustainable level.

In October 2014, the Village Board formally approved establishing a Downtown Tax Increment Financing (TIF) District. The 407 acre district comes as a result of the Downtown Planning Study, completed in 2013, which recommended TIF and a primary financing mechanism to spur public and private investment in the area. The TIF District did have unanimous support from overlapping jurisdictions represented on the joint review board. Engineering for streetscape improvements on Main Street and adjacent side streets, as well as strategic land acquisition for future development, is currently in progress in the redevelopment area.

In November 2014, the Village Board approved increasing the local portion of the simplified telecommunications tax to 6 percent to fund park improvement, replacement, and drainage projects in the Village. Prior to the simplified telecommunication tax, the Park Fund consisted solely of one-time development-driven revenues to construction and improve these assets. Recognizing a need for a recurring revenue source for replacement of park assets, the Village Board dedicated the incremental portion of the simplified telecommunication tax purely to infrastructure via a dedicated capital fund. The Village will receive the additional simplified telecommunications tax beginning in July 2015.

The Village completed its first full calendar year as a member of the Intergovernmental Personnel Benefit Cooperative (IPBC), which comprises of over 70 Illinois municipalities and special districts. The IPBC is a self-insured pool that shares risk among its members. The Village has realized stabilized insurance premiums since joining the IPBC.

Outlook for 2015-2016

As a positive sign of economic recovery, Clarendale of Algonquin had their groundbreaking ceremony in the summer of 2015. Clarendale of Algonquin is a market-rate senior living facility that includes 76 units of independent living, 56 units of assisted care, and 54 units of memory care for a total of 186 units. This development will add significant assessed valuation to the Village and more importantly address a need for housing for the growing senior population in Algonquin.

The Longmeadow Parkway Bridge Corridor project is a four-lane Fox River Bridge crossing and four-lane arterial roadway corridor with a median, approximately 5.6 miles in length, which is designed to alleviate traffic congestion in northern Kane County. The project, when combined with the recent opening of the Illinois Route 31 Western Bypass and the future improvements to the Randall Road corridor, represent a multi-prong effort to alleviate regional traffic congestion. Bid opening for phase one of construction is scheduled for late 2015.

The Village will undertake a water and sewer utility rate study to evaluate current and future funding models for the operation and maintenance of Algonquin's water and sewer systems. Recent studies on the Village's water and sewer infrastructure suggest significant investment necessary to maintain regulatory compliance and capacity for future demand on the system. The Water and Sewer Operating Fund is a true enterprise fund in which user fees fund the operation and maintenance of the system. Accordingly, fees should be set at an appropriate level to carry out this task. The last rate study was completed in 2008 with the last rate change occurring in 2013.

Technology investment will play a significant role in the upcoming budget year. The launch of several new technology platforms will take place in 2015 which allows the Village to operate more efficiently and effectively. Cityworks, an asset management solution, will be used to centralize work orders and maintenance records in the Public Works Department. This solution will help streamline the work order process while providing tangible costs for providing such services, leading to improved decision-making at the management level. Additionally, a mobile application (Algonquin Fix-It) will be launched to interface with the software that allows constituents an easy to use means to report infrastructure problems and monitor progress.

Kronos, an enterprise timekeeping solution, will be used to consolidate timekeeping and payroll functions into a single enterprise software. Existing practices include multiple disparate systems that do not integrate to MUNIS, the Village's enterprise resource planning system. Kronos allows improved time management benefits to assist payroll, management, and employees through greater tracking, reporting, and accountability.

Finally, in early 2016, the Village will revamp its current website with a new and modern template, conducive to mobile e-commerce. Mobile and tablet traffic to www.algonquin.org has increased significantly in recent years as well as user expectations to quickly obtain information and request services. The new website will feature a more service-oriented layout rather than an organizational layout to better serve our customers.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Village operates.

Local Economy

The Village's experience in the local economy indicates that unemployment in Algonquin is improving with a July 2015 report of 4.9 percent which is lower than the same period last year (6.0 percent). By comparison, the State of Illinois and McHenry County July 2015 rates were 5.8 percent and 5.3 percent, respectively.

On a continued positive note, a major revenue source, state shared income/use tax, continues to experience increases in the state's per capita distribution rate as the rate for FY15 increased 3.1 percent for the year following increases of 3.7 percent and 9.7 percent for FY14 and FY13 respectively. The statewide economy continues to impact Village finances as evidenced by the state's continued slow distribution of income tax allocations (two months in arrears as of April 2015) which unfavorably impacts the Village's cash position and investment income.

The major industry in the Village is retail sales and the state shared sales tax revenue is the Village's primary revenue source. The shared sales tax collections for FY15 were up 5.2 percent from FY14.

The 2014 assessed property values in the Village decreased 3.4 percent which follows reductions of 9.3 percent and 9.6 percent for 2013 and 2012, respectively. Residential property values have decreased slightly more than commercial values in all of those years. As a home rule community, however, the Village's Tax Levy is not subject to the PTELL reduction of taxes and collection is reasonably assured since the County Treasurers have tax sales for unpaid tax bills.

Building permit revenues exceeded budget by \$65,000 due to increased permit activity in the village. Overall, operating results in the General Fund were positive as revenues exceeded budget by 0.9 percent and expenditures were 4.0 percent less than budget.

Debt Administration

As of April 30, 2015, the Village had two outstanding debt issues, all of which were general obligation bonds. Outstanding at year end were \$9.95 million for general obligation bonds. Continuing its practice, the Village abated \$1.41 million of the 2014 Tax Levy for debt service. Under current state statutes, the Village has no legal debt limit on general obligation debt.

Long-Term Financial Planning

The Village continues to use the Home Rule Sales Tax of 0.75 percent for infrastructure and capital purposes. Those funds, together with existing dedicated revenues, strengthen the Village preference of a "pay as you go" philosophy in financing capital projects. The capital improvement program for street and infrastructure improvements is managed from five capital project funds (Motor Fuel Tax, Street Improvement, Park Fund, Water & Sewer Improvement and Construction, and Village Construction). With the exception of bonds issued for the financing of the Wastewater Treatment Plant Expansion (2005) and Public Works Facility (2002), the Village has been able to follow the "pay as you go" financing policy for the past decade. The Village annually abates debt service for the General Obligation Bonds and we expect to do so again this year. Debt service for the existing bonds is being financed via the use of sales tax and home rule sales tax revenues.

Cash Management

Continued Federal Reserve interest rate policy of near-zero short-term federal funds rate has impacted Village investment returns on State Investment Pools. The Village continues to invest a portion of the surplus cash in fixed income securities as an alternative investment. Investment grade fixed income securities with an average life of less than three years are approved for investment. This includes corporate bonds since the Village has Home Rule status. The maturities of investments now range from being immediately accessible (Illinois Funds and IMET Convenience Fund) and up to 3 years (Fixed Income Investments). Investment income includes market appreciation in the fair value of investments.

The Police Pension Fund is permitted to invest in equities as well as fixed income bonds with longer maturities. Yields from these assets for the year ended April 30, 2015, were 5.64 percent.

Pension Benefits

The Village sponsors a single-employer defined benefit pension plan for its police officers. Each year, an independent actuary engaged by the Village and the pension plan calculates the amount of the annual contribution that the Village must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. As a matter of policy, the Village fully funds each year's annual required contribution to the pension plan as determined by the actuary. As a result of the Village's conservative funding policy, the Village has succeeded as of April 30, 2015, in funding 55.9 percent of the actuarial accrued liabilities. The actuarial valuation as stated in this report for FY 2015, determined that the net contribution due from the Village is \$1,836,961. The remaining unfunded amount is being systematically funded over 18 years as part of the annual required contribution calculated by the actuary. It is important to note that in FY 2015 the mortality assumption used by the actuary was changed in favor of the Illinois Department of Insurance 2012 value. Accordingly, this accounts for the decreased funding level and subsequent increased employer contribution amount.

The Village also provides pension benefits for its non-public safety employees. These benefits are provided through a statewide plan managed by the Illinois Municipal Retirement Plan (IMRF). The Village has no obligation in connection with employee benefits offered through this plan beyond its contractual payments to IMRF. Additional information on the Village's pension arrangements can be found in Note 9 in the financial statements.

Awards & Acknowledgments

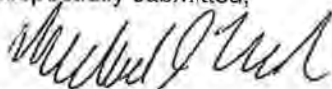
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Algonquin for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended April 30, 2014. This was the eleventh year that the Village has received this prestigious award. In order to be awarded a Certificate of Achievement, the Village published an easily readable and efficiently organized CAFR. This report satisfied both generally accepted accounting principles and applicable legal requirements.

The Village also received the GFOA's Award for Distinguished Budget Presentation for its 2015 budget document. This was the eleventh year the Village has received this prestigious award. In order to receive this award, a government must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

A Certificate of Achievement is valid for a period of one year only. We believe that the 2015 CAFR continues to meet the Certificate of Achievement Program requirements and we are submitting the report to the GFOA to determine its eligibility for another award.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my appreciation especially to Susan Skillman, Comptroller, and Jodie Proschwitz, Senior Accountant, and all other members of the department who assisted and contributed to the preparation of this report. In closing, I would like to thank the Village President, Board of Trustees and Village Manager for their unfailing support for maintaining the highest standards of professionalism in the management of the Village of Algonquin's finances.

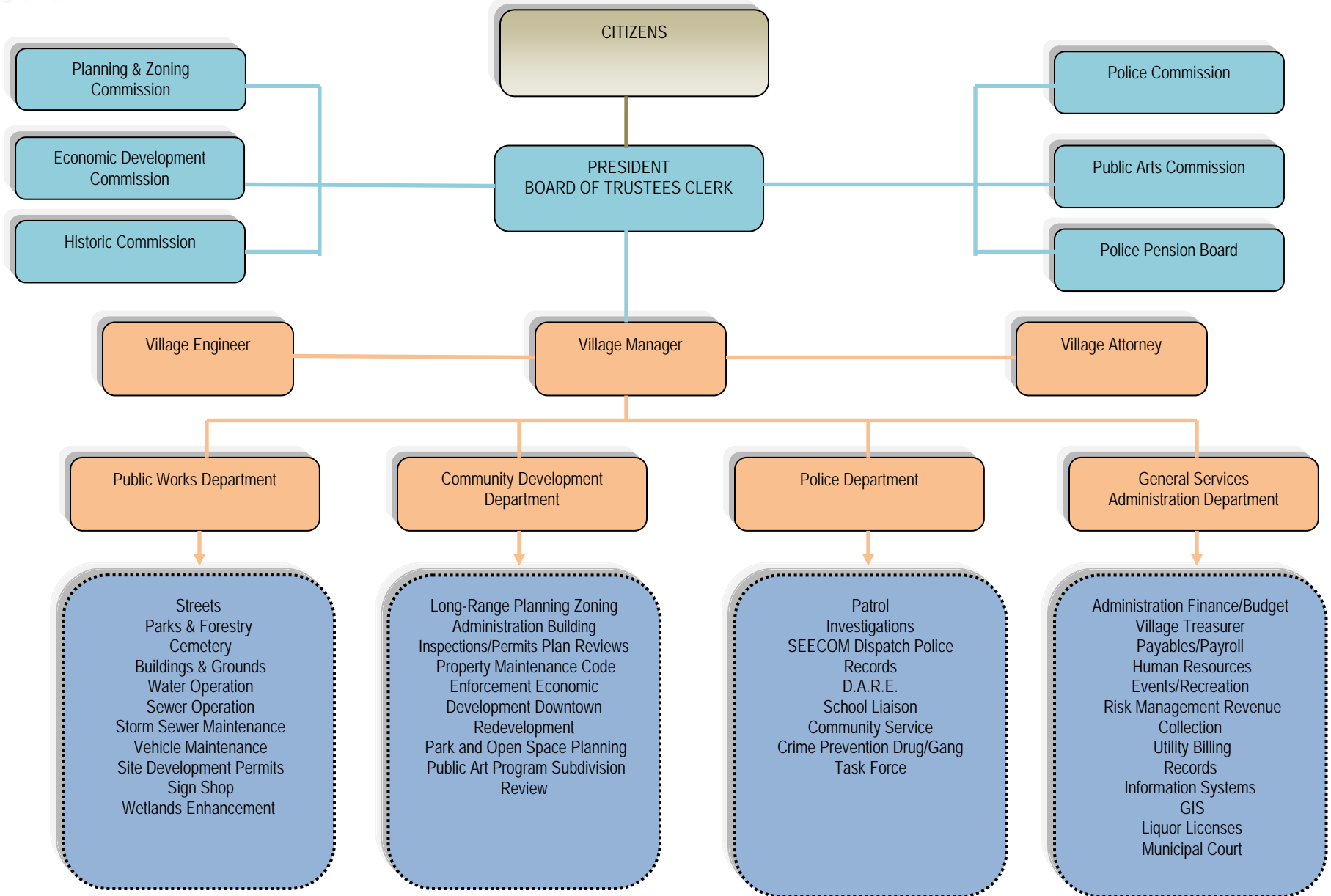
Respectfully submitted,



Michael J. Kumbera
Assistant Village Manager/Treasurer



VILLAGE OF ALGONQUIN
2014-2015 ORGANIZATION CHART





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Village of Algonquin
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2014

Executive Director/CEO

INDEPENDENT AUDITOR'S REPORT



Independent Auditor's Report

The Honorable Village President
Members of the Board of Trustees
Village of Algonquin, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Algonquin, Illinois, as of and for the year ended April 30, 2015, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Algonquin, Illinois, as of April 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 9 to the financial statements, during the year ended April 30, 2015 the Village's Police Pension Plan implemented the provisions of GASB Statement 67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3 - 14), budgetary comparison information (page 61), and pension and OPEB information (pages 62 - 68) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The Supplemental Information (pages 69 - 105) and the Introductory and Statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplemental Information, consisting of combining and individual fund statements and schedules and debt requirement schedules, is the responsibility of management and was derived from and relates 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 Supplemental Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory Section and Statistical Section have 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.

McGladrey LLP

Schaumburg, Illinois
October 13, 2015

**Village of Algonquin, Illinois
Management's Discussion and Analysis
April 30, 2015**

The Village of Algonquin's (the Village) management discussion and analysis (MD&A) is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify changes in the Village's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Transmittal Letter (beginning on page vi) and the Village's financial statements (beginning on page 15).

Financial Highlights

- The Village's net position increased by \$2.0 million (or 0.7%) from FY14 to \$273.6 million.
- The governmental activities net position increased by \$5.0 million (or 2.5%) from FY14 to \$208.6 million.
- The business-type activities net position decreased by \$3.0 million (or 4.4%) from FY14 to \$65.0 million.
- The total revenues of all governmental activity programs increased by \$4.6 million and expenses increased \$1.7 million from FY14.
- The total revenues of business-type activity programs decreased by \$0.8 million and expenses increased \$1.1 million from FY14.
- The total cost of all Village expenses increased by \$2.8 million (or 8.6%).
- The Village's general fund balance increased by \$1.1 million from FY14.
- The Village's general fund actual revenues were over the budgeted amounts by \$0.3 million and actual expenditures were under the budgeted amounts by \$1.3 million.
- The Village's capital assets decreased by \$0.5 million to \$244.3 million from FY14.

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL REPORT

The financial statement's focus is on both the Village as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year-to-year or government-to-government) and enhance the Village's accountability.

Government-Wide Financial Statements

The government-wide financial statements (see pages 15-18) are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns which add to a total for the Primary Government. The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to be similar to bottom line results for the Village and its governmental and business-type activities. This statement combines and consolidates the governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities (see pages 17-18) is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

Village of Algonquin, Illinois
Management's Discussion and Analysis (Continued)
April 30, 2015

The Governmental Activities reflect the Village's basic services, including public safety, public works, and general government. Shared state sales tax, home rule sales tax, local utility and shared state income taxes finance the majority of these services. The Business-type Activities reflect private sector type operations (Water and Sewer), where the fee for service typically covers all or most of the cost of operation, including depreciation.

Fund Financial Statements

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus is on Major Funds, rather than fund types.

The Governmental Major Funds (see pages 19-22) presentation is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the Fund Financial Statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith.

The Fund Financial Statements also allow the government to address its Fiduciary Funds (Police Pension and Developer Deposits, see pages 28 and 29). The Police Pension Fund (a pension trust fund) represents trust responsibilities of the Village. These assets are restricted in purpose and do not represent discretionary assets of the government. The Developer Deposits Fund (an agency fund), reports refundable deposits received from developers. Therefore, the assets in these two funds are not presented as part of the Government-Wide Financial Statements.

While the Business-type Activities column on the Business-type Fund Financial Statements (see pages 23-27) is the same as the Business-type column on the Government-Wide Financial Statement, the Governmental Major Funds Total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 20 and 22). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bonds and others) into the Governmental Activities column (in the Government-wide statements).

Infrastructure Assets

Historically, a government's largest group of assets (infrastructure assets – i.e., land, streets, bridges, storm sewers, etc.) have not been reported nor depreciated in governmental financial statements. This statement requires that these assets be valued and reported within the Governmental column of the Government-wide Statements. Additionally, the government must elect to either (1) depreciate these assets over their estimated useful life or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. The Village has chosen to depreciate assets over their useful lives. If a street project is considered maintenance – a recurring cost that does not extend the street's original useful life or expand its capacity – the cost of the project will be expensed. An "overlay" of a street will be considered maintenance whereas a "rebuild" of a street will be capitalized.

GOVERNMENT-WIDE STATEMENTS

Statement of Net Position

The Village's combined net position increased by \$2.0 million from FY14 – increasing from \$271.6 million to \$273.6 million. The following analysis will look at net position and net expenses of the governmental and business-type activities separately. The total net position for the governmental activities increased \$5.0 million from \$203.6 million to \$208.6 million. The business-type activities net position decreased by \$3.0 million from \$68.0 million to \$65.0 million. Table 1 reflects the condensed Statement of Net Position compared to FY14. Table 2 will focus on the changes in net position of the governmental and business-type activities. A detailed analysis of the changes can be found in the section for Current Year Impacts on page 6.

Normal Impacts

Table 1
Statement of Net Position
As of April 30, 2015 and 2014
(in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 36.6	\$ 33.6	\$ 13.0	\$ 14.6	\$ 49.6	\$ 48.2
Capital assets	184.3	182.9	60.0	61.9	244.3	244.8
Total assets	220.9	216.5	73.0	76.5	293.9	293.0
Deferred Outflows of Resources	0.1	0.1	0.1	0.2	0.2	0.3
Long-term liabilities	3.1	3.7	6.9	7.5	10.0	11.2
Other liabilities	3.8	3.8	1.2	1.2	5.0	5.0
Total liabilities	6.9	7.5	8.1	8.7	15.0	16.2
Deferred Inflows of Resources	5.5	5.5	-	-	5.5	5.5
Net Position:						
Net investment in capital assets	181.3	179.3	52.8	54.1	234.1	233.4
Restricted	3.1	2.3	0.8	0.9	3.9	3.2
Unrestricted	24.2	22.0	11.4	13.0	35.6	35.0
Total net position	\$ 208.6	\$ 203.6	\$ 65.0	\$ 68.0	\$ 273.6	\$ 271.6

For more detailed information see the Statement of Net Position (pages15-16).

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation.

Net Results of Activities – which will impact (increase/decrease) current assets and unrestricted net position.

Borrowing for Capital – which will increase current assets and long-term debt.

Village of Algonquin, Illinois
Management's Discussion and Analysis (Continued)
April 30, 2015

Spending Borrowed Proceeds on New Capital – which will reduce current assets and increase capital assets. There is a second impact, an increase in net investment in capital assets and an increase in related net debt which will not change the net investment in capital assets.

Spending of Non-borrowed Current Assets on New Capital – which will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net position and increase net investment in capital assets.

Principal Payment on Debt – which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net position and increase net investment in capital assets.

Reduction of Capital Assets through Depreciation – which will reduce capital assets and net investment in capital assets.

Current Year Impacts

The Village's \$2.0 million increase of combined net position (which is the Village's bottom line) was the result of the governmental activities net position increasing by \$5.0 million and the business-type activities decreasing by \$3.0 million.

The governmental activities total assets increased by \$4.4 million and the governmental activities total liabilities decreased by \$0.6 million. The total assets increase of \$4.4 million was a result of an increase of \$3.0 million in current and other assets and an increase of \$1.4 million in capital assets. The increase in current and other assets was due mainly to an increase of \$1.5 million in receivables and an increase of \$1.5 million in cash and investments. The increase in capital assets was due to an increase of \$2.0 million in streets/storm sewers/bridges, \$0.3 million in land, and \$0.1 million in vehicles and equipment. This was offset by decreases of \$0.4 million in other improvements, \$0.3 million in buildings, and \$0.3 million in construction in progress.

The governmental activities total liabilities decreased by \$0.6 million due to a decrease in long-term liabilities. There was no overall change to other/current liabilities as the increase of \$0.2 million in accounts payable was offset by a decrease of \$0.2 million in the current portion of long-term liabilities.

The net position of the business-type activities decreased by \$3.0 million from \$68.0 million to \$65.0 million. Total assets of the business-type activities decreased by \$3.5 million from \$76.5 to \$72.9 million. The total assets decrease of \$3.5 million was a result of a decrease in capital asset of \$1.9 million and a decrease in current and other assets of \$1.6 million. The capital asset decrease of \$1.9 million in the business-type activities occurred mainly as a result of decreases in water and sewer improvements of \$1.9 million, and \$0.3 million in buildings. These decreases were offset with an increase of \$0.3 million in construction in progress. The overall decrease was due mainly to capital assets depreciation. The decrease in current assets of \$1.6 million was mainly due to a decrease in other receivables of \$1.5 million and other small decreases in the remaining categories of \$0.1 million. Expenses exceeded revenues during FY15 which resulted in a net deficit of \$3.0 million.

Total liabilities of the business-type activities decreased by \$0.6 million from \$8.7 million to \$8.1 million. The long-term liabilities decreased by \$0.6 million due to the decrease of G.O. Bonds Payable for the wastewater treatment plant expansion. Other liabilities remained unchanged from the previous year.

Village of Algonquin, Illinois
Management's Discussion and Analysis (Continued)
April 30, 2015

Changes in Net Position

The following chart compares the revenue and expenses for the current fiscal year.

Table 2
Changes in Net Position
For the Fiscal Years Ended April 30, 2015 and 2014
(in millions)

Revenue	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Program Revenues						
Charges for Service	\$ 1.8	\$ 1.9	\$ 6.1	\$ 6.1	\$ 7.9	\$ 8.0
Operating Grants/Contributions	1.9	1.2	-	-	2.3	1.9
Capital Grants/Contributions	3.8	1.6	0.4	0.7	3.8	1.6
General Revenue						
Property	5.8	5.9	-	-	5.8	5.9
Other taxes	16.8	15.2	-	0.7	16.8	5.4
Other	0.6	0.3	0.1	(0.1)	0.7	10.7
Total Revenue	30.7	26.1	6.6	7.4	37.3	33.5
Expenses						
Governmental Activities						
General Government	5.2	4.5	-	-	5.2	4.5
Public Safety	9.1	8.8	-	-	9.1	8.8
Public Works	11.3	10.5	-	-	11.3	10.5
Interest	0.1	0.2	-	-	0.1	0.2
Business-Type						
Water and Sewer	-	-	9.6	8.5	9.6	8.5
Total Expenses	25.7	24.0	9.6	8.5	35.3	32.5
Change in Net Position	5.0	2.1	(3.0)	(1.1)	2.0	1.0
Net position - beginning	203.6	201.5	68.0	69.1	271.6	270.6
Net position - ending	\$ 208.6	\$ 203.6	\$ 65.0	\$ 68.0	\$ 273.6	\$ 271.6

There are eight basic impacts on revenues and expenses as reflected below:

Normal Impacts

Revenues:

Economic Condition – which can reflect a declining, stable or growing economic environment and has a substantial impact on state income, sales, and utility tax revenue as well as public spending habits for building permits, elective user fees and volumes of consumption.

Increase/Decrease in Village Board approved rates – while certain tax rates are set by statute, the Village Board has significant authority to impose and periodically increase/decrease rates (water, wastewater, impact fee, building fees, home rule sales tax, etc.).

Changing Patterns in Intergovernmental and Grant Revenue (both recurring and non-recurring) – certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year to year comparisons.

Market Impacts on Investment income – the Village's investment portfolio is managed using a similar average maturity to most governments. Market conditions may cause investment income to fluctuate.

Expenses:

Introduction of New Programs – within the functional expense categories (Public Safety, Public Works, General Government, etc.) individual programs may be added or deleted to meet changing community needs.

Increase in Authorized Personnel – changes in service demand may cause the Village Board to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent 57.7% of the Village's operating costs.

Salary Increases (annual adjustments and merit) – the ability to attract and retain human and intellectual resources requires the Village to strive to approach a competitive salary range position in the marketplace.

Inflation – while overall inflation appears to be reasonably modest, the Village is a major consumer of certain commodities such as supplies, fuels and parts. Some functions may experience unusual commodity specific increases.

Governmental Activities

Revenue:

Total revenues for Governmental Activities increased \$4.6 million from \$26.1 million to \$30.7 million. An increase of \$2.2 million in capital grants/contributions, \$1.6 million in other taxes, \$0.7 million in operating grants/contributions, \$0.3 million in other revenues were offset by a decreases of \$0.1 million in charges for service and \$0.1 million in property tax. The \$2.2 million increase in capital grants/contributions was due to an increase in capital asset donations during FY15 as there was a large street asset addition from the State of Illinois due to the Illinois Route 31 Western Bypass project completed during the fiscal year. The increase of \$1.6 million in other taxes was due to an increase in the allocation (75% to 100%) of the home rule sales tax to the street fund (\$0.9 million), an increase in overall sales tax collections (\$0.4 million) and various other smaller tax increases. The \$0.7 increase in operating grants/contributions was due to increased revenue from an intergovernmental agreement, MFT allotments, and various other donations. The increase was offset by decreases of \$0.2 million in charges for services and other revenue sources during FY15.

The Village has a diversified revenue structure and depends on several key revenue sources to help pay for the services provided. The Village's general fund property tax levy of \$5.9 million remained consistent from FY14 to FY15. The Village attempts to maintain its property tax level and capture new revenues from growth. Due to recent downturns in the housing market values, the Village's EAV decreased by approximately 3.3% from FY13 (\$805,011,458) to FY14 (\$777,811,422). The Village's property tax rate was 0.6775 in 2013 and 0.7047 in 2014.

**Village of Algonquin, Illinois
Management's Discussion and Analysis (Continued)
April 30, 2015**

In the general government, state shared income and use tax per capita revenues increased 8.8% from FY14 to FY15. There were increases in sales tax revenues of 5.6% and income tax revenues of 8.3%. Home rule sales tax increased 22.7% due to the change of allocation to the street improvement fund from 75% to 100% during FY15. Utility tax revenues decreased 4.6% from the prior fiscal year. Telecommunication tax is collected and distributed by the State of Illinois; revenues were unchanged from FY14 to FY15.

Expenses:

The Village's governmental activities total expenses increased \$1.7 million for FY15.

The Village's General Government function expenses increased \$0.7 million from \$4.5 million to \$5.2 million. The General Government expenses increased by \$0.7 million due to the addition of the downtown TIF district fund expenses and losses on the sale of capital assets.

Public Safety expenses increased \$0.3 million from \$8.8 million to \$9.1 million. The Public Safety expenses increased mainly due to increases in personnel costs and other charges relating to pension contributions.

Public Works expenses increased \$0.8 million from \$10.5 million to \$11.3 million. The Public Works expenses increased due to increases in infrastructure maintenance expenses.

Interest expenses decreased \$0.1 million from \$0.2 million to \$0.1 million.

Business-type Activities

Revenue:

Total revenues for Business-type Activities decreased \$0.8 million from \$7.4 million to \$6.6 million. There were decreases of \$0.7 million in other taxes, and \$0.3 million in capital grants/contributions. These were offset by an increase of \$0.2 million in other general revenues. Charges for services remained unchanged from FY14 to FY15. The \$0.7 million decrease in other taxes was due to the elimination of the home rule sales tax allocation during FY15 and the \$0.3 million reduction in operating grants/contributions was due to a decline in developer donations for infrastructure/fees. The \$0.2 million increase in other general revenues was due to an increase in investment income.

Expenses:

The Village's Business-type Activities total expenses increased \$1.1 million from \$8.5 million to \$9.6 million. The overall change in expenses was due to an increase in infrastructure maintenance during FY15.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Governmental Funds

At April 30, 2015, the governmental funds (as presented on the balance sheet on page 19) reported a combined fund balance of \$26.3 million or an increase of 8.7% from \$24.2 million at the beginning of the year. Of the total fund balance, \$14.9 million is unassigned indicating availability for continuing Village services. The net increase in the Fund Balance of Governmental Funds was due to an increase of \$3.4 million in total assets, an increase of \$0.4 million in total liabilities, and an increase of \$0.9 million in deferred inflows of resources.

The increase of \$3.4 million in total assets consisted of an increase of \$1.6 million in cash and equivalents and investments from the operating surplus, and an overall increase of \$1.8 million in accounts receivable. Accounts receivable increased \$1.1 million for other taxes; the street fund allocation for home rule sales tax increased to 100% during FY15. Intergovernmental accounts receivable increased by \$1.2 million and due from other funds increased \$0.3 million due to monies owed to the general fund from the newly created downtown TIF district fund. There was a decrease of \$0.8 million in accounts receivable for developer fees and other receivables. The increase in total liabilities of \$0.4 million was due mainly to the creation of the downtown TIF district fund which owed the general fund \$0.3 million, and a slight increase of \$0.1 million in accounts payable. Deferred inflows of resources increased \$0.9 million due mainly to the reallocation of home rule sales tax to the street improvement fund.

The general fund total fund balance increased \$1.1 million from \$14.7 million in FY14 to \$15.8 million in FY15. General fund assets had a net increase of \$1.1 million attributable to an increase of \$0.7 million in cash and investments attributable to the operating surplus, and an increase of \$0.4 million in receivables. General fund liabilities/deferred inflows of resources remained unchanged from FY14 to FY15.

The street improvement fund total fund balance increased \$1.1 million from \$6.1 million in FY14 to \$7.2 million in FY15. Assets increased \$1.9 million from FY14 to FY15. This included an increase in cash and investments of \$0.8 million, and an increase of \$1.1 million in receivables. Street improvement fund liabilities/deferred inflows of resources increased \$0.9 million due to an increase of \$0.9 million in deferred inflows of resources for unavailable revenues from FY14 to FY15.

General Fund Budgetary Highlights

Below is a table that reflects the budget and the actual revenues and expenditures for the General Fund. More information can be found on the schedule of revenues, expenditures and changes in fund balance – budget and actual on page 61. Actual spending was \$1.3 million less than the budget which was due to actual expenses less than budget of \$0.6 million in general government, \$0.3 million in public safety, \$0.3 million in public works, and \$0.1 million in capital outlay.

The \$0.6 million savings in general government expenses was due to savings in administration and community development contractual services and other charges. Expenses were under budget in various accounts including insurance, maintenance, recreation programs, and travel/training/dues.

The \$0.3 million savings in public safety expenses was due mainly to personnel savings.

The \$0.3 million savings in public works was due to savings in personnel and contractual services within the public works administration, streets, and parks and forestry divisions.

The \$0.1 million savings in capital outlay was due to land acquisitions coming in under the expected budget.

Village of Algonquin, Illinois
Management's Discussion and Analysis (Continued)
April 30, 2015

Table 3
General Fund Budgetary Highlights
(in millions)

General Fund	Original Budget	Amended Budget	Actual
Revenues			
Taxes	\$ 17.515	\$ 17.515	\$ 17.677
Intergovernmental	0.230	0.245	0.426
Other	1.687	1.774	1.745
Total	\$ 19.432	\$ 19.534	\$ 19.848
Expenditures and Transfers			
Expenditures	\$ 18.874	\$ 19.468	\$ 18.157
Transfers/Other Financing Sources (Uses)	0.654	0.654	0.666
Total	19.528	20.122	18.823
Change in Fund Balance	\$ (0.096)	\$ (0.588)	\$ 1.025

Capital Assets

At the end of FY15, the Village had a combined total of capital assets of \$244.3 million invested in a broad range of capital assets including land, buildings, vehicles, streets, bridges, storm sewers, water mains and sanitary sewer lines. (See Table 4 below.) This amount represents a net decrease (including additions and deletions) of \$0.5 million.

Major capital asset events during the current fiscal year included the following:

- Replacement of Indian Grove water and sewer main for \$1.4 million
- Rehabilitation of streets for Indian Grove for \$1.0 million
- Reconstruction of streets for The Highlands for \$0.9 million
- Rehabilitation of Boyer Road for \$0.4 million
- Rehabilitation of Souwanas Creek for \$0.4 million
- Purchase of vehicles and equipment for \$0.4 million
- Enhancement to the wastewater SCADA equipment for \$0.3 million
- IDOT completion of Western Bypass; capital asset donation of Main Street

Village of Algonquin, Illinois
Management's Discussion and Analysis (Continued)
April 30, 2015

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Land	\$ 94.84	\$ 94.57	\$ 3.64	\$ 3.64	\$ 98.48	\$ 98.21
Construction in Progress	2.29	2.60	1.30	0.97	3.59	3.57
Buildings	10.90	11.22	12.65	12.99	23.55	24.21
Vehicles and Equipment	1.20	1.04	0.39	0.41	1.59	1.45
Improvements other than Building	7.84	8.21	-	-	7.84	8.21
Streets/Storm Sewers/ Bridges	67.26	65.31	-	-	67.26	65.31
Water and Sewer	-	-	42.01	43.89	42.01	43.89
Total	\$ 184.33	\$ 182.95	\$ 59.99	\$ 61.90	\$ 244.32	\$ 244.85

The following reconciliation summarizes the changes in Capital Assets which is presented in detail on pages 42-43 of the Notes.

Table 5
Change in Capital Assets
(in millions)

	Governmental Activities	Business-Type Activities	Total
Beginning Balance	\$ 182.95	\$ 61.90	\$ 244.85
Additions			
Depreciable	5.87	1.21	7.08
Non-Depreciation	0.44	-	0.44
Construction in Progress	2.98	1.35	4.33
Retirements			
Depreciable	(1.06)	(0.03)	(1.09)
Non-Depreciation	(0.17)	-	(0.17)
Construction in Progress	(3.28)	(1.01)	(4.29)
Depreciation			
Retirement	(3.40)	(3.43)	(6.83)
Ending Balance	\$ 184.33	\$ 59.99	\$ 244.32

The Governmental Activities net Capital Assets net increase of \$1.4 million was due mainly to increases in streets/storm sewers/bridges (\$2.0 million); land (\$0.3 million); and vehicles and equipment (\$0.1 million). This was offset with decreases in improvements other than building (\$0.4 million); construction in progress (\$0.3 million); and buildings (\$0.3 million). The street fund had an increased amount of capital projects relating to street improvements during FY15. Land increased due to purchases by the general fund for the downtown TIF district land acquisition. Decreases in the various accounts were due to normal depreciation expense.

Village of Algonquin, Illinois
Management's Discussion and Analysis (Continued)
April 30, 2015

The Business-type Activities net decrease of \$1.9 million in net Capital Assets was due mainly to decreases noted in water and sewer improvements (\$1.9 million) and buildings (\$0.3 million). The decreases were offset by an increase in construction of progress (\$0.3 million). The overall decrease was due to normal depreciation expense.

Debt Outstanding

Since the mid-1990's, the Village of Algonquin has followed a "pay-as-you-go" philosophy to funding capital projects. Exceptions to this philosophy had been bonds issued to pay for the construction of the Village Hall in 1995-1996 and the Public Works Facility in 2002-2003. In December 2005, the Village authorized Bond Series 2005A in the amount of \$9,000,000 to partially finance the expansion of Phase 6 of the Wastewater Treatment Plant. Bond Series 2013 was issued in the amount of \$7,645,000 to refund Series 2005A. Bond Series 2005B was issued in the amount of \$2,935,000 to refund Series 2002B. Bond Series 2014A was issued in the amount of \$2,885,000 to refund Series 2005B. The Village has established the following five funds to accumulate monies over time to systematically construct and/or replace major assets: Motor Fuel Tax, Street Improvement, Parks, Water and Sewer Improvement and Construction, and the Village Construction. The current Home Rule Sales Tax of 0.75% was allocated as an additional revenue source for capital and infrastructure to assist in the "pay-as-you-go" philosophy. In FY15, 100% of the Home Rule Sales Tax was allocated to the Street Improvement Fund (in FY14, 25% was allocated to the Water and Sewer Improvement Fund) to provide funds to continue street infrastructure maintenance and improvements.

The Village currently has two general obligation bond series. A total of \$9.95 million of general obligation bonds were outstanding at April 30, 2015. The governmental activities have \$2.875 million of general obligation bonds outstanding; business-type activities have \$7.075 million of general obligation bonds outstanding.

The Village, under its home rule authority, does not have a legal debt limit.

Additional information concerning long-term debt can be found in Note 6.

Economic Factors

The Village will continue to rely on sales tax and property taxes until the state economy improves and the state is able to operate a balanced budget without impairing local governments. The Village held the property tax levy steady in recent years and the property tax rate has increased due to the decrease in the Village's EAV. The Village did experience the loss of some retail stores and restaurants during the fiscal year; however, several have been replaced with new tenants during FY15. The financial condition of the State government has continued to have a negative effect on the Village of Algonquin during the past few years. State shared revenues (state income tax and use tax) had been reduced from 2000 levels on a per-capita basis until FY05. State shared allocations then increased approximately 36% during the next three years, but began to soften in FY09. Since FY09, state distributions to local government have been late and distributions were two months in arrears at FY15. Despite the uncertainty, the FY15 state income tax and use tax increased by 8.3% from FY14 primarily due to an increase in the per capita of 8.8%. Current estimates indicate that the 2016 per-capita allocations will remain steady in FY16. However, the State of Illinois is recommending cutting the local government's share of the state income tax and freezing property taxes for home rule communities such as the Village of Algonquin.

**Village of Algonquin, Illinois
Management's Discussion and Analysis (Continued)
April 30, 2015**

Construction in the local housing market remains slow as indicated by a lack of permits for commercial and residential construction. The Village's growth in sales tax revenues, EAV, and property tax receipts was consistent in the past decade until the state and local economies began to slow in FY09. Recently, sales tax revenues have increased year to year while property equalized assessments decreased. Sales tax revenues increased by 5.6% from FY14 to FY15. The property tax receipts had a slight decrease from FY14 to FY15.

The Village's population decreased to 30,046 with the 2010 Census (down from 30,482 reported in the 2007 Special Census). The Village has been able to budget for stable property tax receipts due to its status as a Home Rule Community.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Michael J. Kumbera, Assistant Village Manager or Susan Skillman, Comptroller, Village of Algonquin, 2200 Harnish Drive, Algonquin, IL 60102.

BASIC FINANCIAL STATEMENTS

Village of Algonquin, Illinois

Statement of Net Position

April 30, 2015

	Governmental Activities	Business-Type Activities	Total
Assets			
Current			
Cash and cash equivalents	\$ 15,480,978	\$ 7,007,932	\$ 22,488,910
Investments	9,079,825	4,262,662	13,342,487
Receivables			
Property taxes	5,499,622	-	5,499,622
Other taxes	4,188,749	-	4,188,749
Intergovernmental	1,267,964	-	1,267,964
Accounts	-	825,592	825,592
Accrued interest	21,108	-	21,108
Other	527,018	558	527,576
Inventory	141,084	-	141,084
Prepaid items	86,375	25,950	112,325
Restricted assets - investments	-	830,426	830,426
Total current assets	36,292,723	12,953,120	49,245,843
Noncurrent			
Investment in joint venture	367,118	-	367,118
Net pension asset	25,130	-	25,130
Capital assets (net of accumulated depreciation)			
Land	94,835,873	3,644,048	98,479,921
Construction in progress	2,289,736	1,300,161	3,589,897
Water and sewer system	-	42,010,711	42,010,711
Buildings	10,905,450	12,643,399	23,548,849
Improvements other than buildings	7,843,767	-	7,843,767
Vehicles and equipment	1,198,089	392,603	1,590,692
Streets/storm sewers/bridges	67,256,313	-	67,256,313
Total capital assets (net)	184,329,228	59,990,922	244,320,150
Total noncurrent assets	184,721,476	59,990,922	244,712,398
Total assets	221,014,199	72,944,042	293,958,241
Deferred Outflows of Resources			
Deferred loss on refunding	53,145	163,292	216,437

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Net Position - Continued
April 30, 2015

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current			
Accounts payable	\$ 2,308,100	\$ 495,136	\$ 2,803,236
Accrued interest	5,298	17,861	23,159
Unearned revenue - other	184,640	-	184,640
Other liabilities	22,814	-	22,814
Current portion of long-term liabilities	1,284,646	730,251	2,014,897
Total current liabilities	3,805,498	1,243,248	5,048,746
Noncurrent			
Long-term liabilities - due in more than one year	3,144,469	6,853,143	9,997,612
Total liabilities	6,949,967	8,096,391	15,046,358
Deferred Inflows of Resources			
Fiscal year 2016 property tax levy	5,499,621	-	5,499,621
Net Position			
Net investment in capital assets	181,340,289	52,805,499	234,145,788
Restricted for			
Donor programs	578,255	-	578,255
Cemetery purposes	297,889	-	297,889
Grant programs	2,179,095	-	2,179,095
Debt service	-	830,426	830,426
Unrestricted	24,222,228	11,375,018	35,597,246
Total net position	\$ 208,617,756	\$ 65,010,943	\$ 273,628,699

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Activities
Year Ended April 30, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 5,218,534	\$ 821,200	\$ 372,534	\$ 109,529
Public safety	9,089,370	932,375	50,805	-
Public works	11,339,697	7,157	1,519,375	3,741,566
Debt service - interest and fees	93,117	-	-	-
Total governmental activities	25,740,718	1,760,732	1,942,714	3,851,095
Business-type activities				
Waterworks and sewerage	9,580,289	6,079,733	2,681	390,177
Total	\$ 35,321,007	\$ 7,840,465	\$ 1,945,395	\$ 4,241,272

General revenues
Taxes
Property
Personal property replacement
Home rule sales tax
Utility
Telecommunications
Hotel
Video gaming tax
Intergovernmental (unrestricted)
Sales
Income and use
Franchise fees
Investment income (loss)
Miscellaneous
Total general revenues

Change in net position

Net position - beginning

Net position - ending

See Notes to Financial Statements.

Net (Expense), Revenue and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (3,915,271)	\$ -	\$ (3,915,271)
(8,106,190)	-	(8,106,190)
(6,071,599)	-	(6,071,599)
(93,117)	-	(93,117)
<u>(18,186,177)</u>	<u>-</u>	<u>(18,186,177)</u>
-	(3,107,698)	(3,107,698)
<u>(18,186,177)</u>	<u>(3,107,698)</u>	<u>(21,293,875)</u>
5,844,048	-	5,844,048
61,812	-	61,812
4,019,398	-	4,019,398
951,723	-	951,723
539,595	-	539,595
46,416	-	46,416
60,122	-	60,122
7,440,557	-	7,440,557
3,699,105	-	3,699,105
511,686	-	511,686
69,180	72,105	141,285
7,633	19,304	26,937
<u>23,251,275</u>	<u>91,409</u>	<u>23,342,684</u>
5,065,098	(3,016,289)	2,048,809
<u>203,552,658</u>	<u>68,027,232</u>	<u>271,579,890</u>
<u>\$ 208,617,756</u>	<u>\$ 65,010,943</u>	<u>\$ 273,628,699</u>

Village of Algonquin, Illinois

Balance Sheet - Governmental Funds

April 30, 2015

	General Fund	Street Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 6,954,843	\$ 5,828,197	\$ 2,697,938	\$ 15,480,978
Investments	6,355,534	1,987,565	736,726	9,079,825
Receivables				
Property taxes	5,481,058	-	18,564	5,499,622
Other taxes	3,133,737	1,042,918	12,094	4,188,749
Intergovernmental	53,204	896,216	318,544	1,267,964
Accrued interest	21,108	-	-	21,108
Other	303,597	206,071	-	509,668
Due from other funds	279,467	-	-	279,467
Prepaid items	86,209	-	166	86,375
Total assets	\$ 22,668,757	\$ 9,960,967	\$ 3,784,032	\$ 36,413,756
Liabilities				
Accounts payable	\$ 501,106	\$ 1,588,435	\$ 16,853	\$ 2,106,394
Unearned revenue	184,640	-	-	184,640
Due to other funds			279,467	279,467
Other liabilities	22,814	-	-	22,814
Total liabilities	708,560	1,588,435	296,320	2,593,315
Deferred Inflows of Resources				
Fiscal year 2016 property tax levy	5,481,057	-	18,564	5,499,621
Unavailable revenues	637,955	1,222,124	185,000	2,045,079
Total deferred inflows of resources	6,119,012	1,222,124	203,564	7,544,700
Fund Balances				
Nonspendable	86,209	-	166	86,375
Restricted	578,255	-	2,476,984	3,055,239
Assigned	-	7,150,408	1,086,465	8,236,873
Unassigned	15,176,721	-	(279,467)	14,897,254
Total fund balances	15,841,185	7,150,408	3,284,148	26,275,741
Total liabilities, deferred inflows of resources and fund balances	\$ 22,668,757	\$ 9,960,967	\$ 3,784,032	\$ 36,413,756

See Notes to Financial Statements.

Village of Algonquin, Illinois

**Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
April 30, 2015**

Total fund balances-governmental funds	\$ 26,275,741
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 funds.	184,197,792
Deferred loss on refunding of debt is not considered to represent a financial resource and, therefore, is not reported in the governmental funds.	53,145
Revenues in the Statement of Activities that do not provide current financial resources are deferred inflows of resources in the funds.	2,045,079
Investment in joint venture is not considered to represent a financial resource and, therefore, is not reported in the funds.	367,118
An internal service fund is used by management to charge vehicle maintenance costs to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the Statement of Net Position.	88,164
Some liabilities reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds. These liabilities consist of:	
Accrued interest	(5,298)
Net other post-employment benefit obligation	(340,941)
Compensated absences	(1,046,090)
Unamortized bond premium	(95,191)
Net pension asset	25,130
Capital lease	(71,893)
General obligation bonds payable	<u>(2,875,000)</u>
Net position of governmental activities	<u>\$ 208,617,756</u>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances –
 Governmental Funds
 Year Ended April 30, 2015

	General Fund	Street Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Charges for services	\$ 331,491	\$ -	\$ 11,625	\$ 343,116
Licenses and permits	589,957	-	-	589,957
Intergovernmental, grants and contributions	542,702	676,295	1,217,943	2,436,940
Fines, fees and forfeitures	687,897	-	-	687,897
Property taxes	5,844,048	-	-	5,844,048
Other taxes	11,879,557	5,357,717	60,122	17,297,396
Investment income	48,690	11,270	9,220	69,180
Miscellaneous	197,770	-	20,763	218,533
Total revenues	20,122,112	6,045,282	1,319,673	27,487,067
Expenditures				
Current				
General government	4,259,457	-	176,170	4,435,627
Public safety	9,114,836	-	-	9,114,836
Public works	4,512,464	2,574,688	973,077	8,060,229
Debt service				
Principal	-	-	670,000	670,000
Capital lease principal	19,757	-	-	19,757
Interest and fiscal charges	4,967	-	84,538	89,505
Capital outlay	515,696	2,406,763	131,044	3,053,503
Total expenditures	18,427,177	4,981,451	2,034,829	25,443,457
Excess (deficiency) of revenues over expenditures	1,694,935	1,063,831	(715,156)	2,043,610
Other financing sources (uses)				
Transfers in	-	-	596,147	596,147
Transfers out	(596,147)	-	-	(596,147)
Total other financing sources (uses)	(596,147)	-	596,147	-
Net change in fund balances	1,098,788	1,063,831	(119,009)	2,043,610
Fund balances - beginning	14,742,397	6,086,577	3,403,157	24,232,131
Fund balances - ending	\$ 15,841,185	\$ 7,150,408	\$ 3,284,148	\$ 26,275,741

See Notes to Financial Statements.

Village of Algonquin, Illinois

**Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended April 30, 2015**

Net change in fund balances-total governmental funds	\$ 2,043,610
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the lives of the assets. This is the amount by which depreciation exceeded capital outlay in the current period. (\$3,578,859 current additions less \$4,126,046 depreciation.)	(547,187)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
Change in unavailable revenues	853,414
Contributions of capital assets	2,388,870
Repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position.	
Payment of principal on bonds	670,000
Payment of principal on lease	19,757
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:	
Increase in investment in joint venture	76,465
Increase in net pension asset	339
Increase in net other post-employment benefit obligation	(85,879)
Decrease in compensated absences	136,761
Decrease in accrued interest	1,667
Amortization of bond premium, bond discount	25,430
Amortization of deferred loss on refunding	(30,709)
Change in net position of governmental activities	<u>\$ 5,065,098</u>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Net Position - Proprietary Funds
April 30, 2015

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service Funds
Assets		
Current		
Cash and cash equivalents	\$ 7,007,932	\$ -
Investments	4,262,662	-
Receivables		
Accounts	825,592	17,350
Other	558	
Prepaid items	25,950	-
Inventory	-	141,084
Restricted assets - investments	830,426	-
Total current assets	<u>12,953,120</u>	<u>158,434</u>
Capital assets (net of accumulated depreciation)		
Land	3,644,048	-
Construction in progress	1,300,161	-
Water and sewer system	42,010,711	-
Buildings	12,643,399	-
Machinery and equipment	392,603	131,436
Total noncurrent assets	<u>59,990,922</u>	<u>131,436</u>
Total assets	<u>72,944,042</u>	<u>289,870</u>
Deferred Outflows of Resources		
Deferred loss on refunding	<u>163,292</u>	<u>-</u>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Net Position - Proprietary Funds - Continued
 April 30, 2015

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service Funds
Liabilities		
Current		
Accounts payable	\$ 495,136	\$ 201,706
Accrued interest	17,861	-
Current portion of long-term liabilities	730,251	-
Total current liabilities	1,243,248	201,706
Noncurrent		
Long-term liabilities - due in more than one year	6,853,143	-
Total liabilities	8,096,391	201,706
Net Position		
Net investment in capital assets	52,805,499	131,436
Restricted for debt service	830,426	-
Unrestricted	11,375,018	(43,272)
Total net position	\$ 65,010,943	\$ 88,164

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
Year Ended April 30, 2015

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service Funds
Operating revenues		
Charges for services		
Water and sewer revenue	\$ 5,553,629	\$ -
Meter sales	24,961	-
Connection fees	361,772	-
Administration fee	75,496	-
Maintenance billings	-	2,044,893
Miscellaneous	63,875	9,950
Total operating revenues	<u>6,079,733</u>	<u>2,054,843</u>
Operating expenses excluding depreciation	<u>5,897,172</u>	<u>2,036,870</u>
Operating income before depreciation	182,561	17,973
Depreciation	<u>3,462,804</u>	<u>17,973</u>
Operating loss	<u>(3,280,243)</u>	<u>-</u>
Nonoperating revenues (expenses)		
Contributions - developers	392,858	-
Investment income (loss)	72,105	-
Interest expense and fiscal agent fees	(220,313)	-
Gain on sale of capital assets	19,304	-
Total nonoperating revenues (expenses)	<u>263,954</u>	<u>-</u>
Change in net position	(3,016,289)	-
Net position - beginning	<u>68,027,232</u>	<u>88,164</u>
Net position - ending	<u>\$ 65,010,943</u>	<u>\$ 88,164</u>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Cash Flows – Proprietary Funds
Year Ended April 30, 2015

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service Funds
Cash flows from operating activities		
Cash received from customers	\$ 7,634,067	\$ -
Cash paid to suppliers	(2,505,864)	(1,317,115)
Cash paid to employees	(3,365,622)	(682,366)
Cash received for interfund services provided	-	2,042,690
Net cash provided by operating activities	<u>1,762,581</u>	<u>43,209</u>
Cash flows from noncapital financing activities		
Developer contributions	140,341	-
Net cash flows provided by noncapital financing activities	<u>140,341</u>	<u>-</u>
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(1,319,898)	(43,209)
Proceeds from sales of capital assets	19,586	-
Interest paid on bonds	(211,623)	-
Principal paid on general obligation bond maturities	(570,000)	-
Proceeds from issuance of general obligation refunding bonds	-	-
Net cash flows (used for) capital and related financing activities	<u>(2,081,935)</u>	<u>(43,209)</u>
Cash flows from investing activities		
Purchase of investments	(2,039,868)	-
Sale of investments	7,522,736	-
Interest on investments	72,105	-
Net cash flows provided by investing activities	<u>5,554,973</u>	<u>-</u>
Net increase in cash and equivalents	5,375,960	-
Cash and equivalents - beginning	<u>1,631,972</u>	<u>-</u>
Cash and equivalents - ending	<u>\$ 7,007,932</u>	<u>\$ -</u>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Cash Flows – Proprietary Funds - Continued
Year Ended April 30, 2015

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by operating activities		
Operating income (loss)	\$ (3,280,243)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation	3,462,804	17,973
Changes in assets and liabilities		
Accounts receivable	1,554,334	(12,153)
Prepaid items	142	-
Inventory	-	46,206
Accounts payable	5,668	(8,817)
Compensated absences payable	19,876	-
Total adjustments	<u>5,042,824</u>	<u>43,209</u>
Net cash provided by operating activities	<u>\$ 1,762,581</u>	<u>\$ 43,209</u>
Supplemental schedule of noncash capital and related financing activities:		
Capital contributions	<u>\$ -</u>	<u>\$ -</u>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Fiduciary Net Position
April 30, 2015

	Pension Trust Fund	Agency Fund
Assets		
Cash and cash equivalents	\$ 183,770	\$ 381,563
Investments		
U.S. treasury securities	2,145,346	-
U.S. agency securities	1,887,881	-
Mutual funds	12,187,407	-
Illinois Funds	237,103	-
Money market funds	564,857	-
Municipal and corporate bonds	4,327,156	-
Interest receivable	72,165	-
	<hr/>	<hr/>
Total assets	21,605,685	381,563
Liabilities		
Deposits	-	381,563
	<hr/>	<hr/>
Net Position		
Restricted for pension benefits	<u>\$ 21,605,685</u>	<u>\$ -</u>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Changes in Fiduciary Net Position - Pension Trust Fund
Year Ended April 30, 2015

Additions	
Contributions	
Employer	\$ 1,179,000
Employee	415,618
	<u>1,594,618</u>
Investment income (expense)	
Net appreciation in fair value of investments	581,696
Interest income	623,058
Less investment expenses	(79,497)
	<u>1,125,257</u>
Total additions	<u>2,719,875</u>
Deductions	
Administration	27,754
Pension benefits and refunds	539,306
Total deductions	<u>567,060</u>
Change in net position	2,152,815
Net position - beginning	<u>19,452,870</u>
Net position - ending	<u>\$ 21,605,685</u>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

(a) Reporting Entity

The Village of Algonquin, Illinois (Village) is a municipal corporation governed by an elected Village president and six-member Village board. As required by generally accepted accounting principles, these financial statements present the Village and its component units, legally separate entities for which the Village is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the Village's operations and so data from these units are combined with data of the primary government. Based on the applicable criteria above, there were no component units to be included in the Village's reporting entity.

(b) Government-wide and Fund Financial Statements

Government-wide Financial Statements: The government-wide Statement of Net Position and Statement of Activities report the overall financial activity of the Village, excluding fiduciary activities. Eliminations have been made to minimize the double counting of internal activities of the Village. However, interfund services provided and used, as provided by internal service funds, are not eliminated in the process of consolidation. The financial activities of the Village consist of governmental activities, which are primarily supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for services.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (i.e. general government, public safety, etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fines and fees), and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fiduciary funds are excluded from the government-wide financial statements.

Fund Financial Statements: Separate financial statements are provided for governmental funds, proprietary funds and fiduciary (agency) funds, even though the latter are excluded from the government-wide financial statements. The fund financial statements provide information about the Village's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The Village administers the following major governmental funds:

General Fund – This is the Village's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund. The services which are administered by the Village and accounted for in the general fund include general government, public safety and public works.

Village of Algonquin, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

(b) Government-wide and Fund Financial Statements (Continued)

Street Improvement Fund – This capital project fund accounts for the construction, improvement and maintenance of Village streets. Financing is provided by developer contributions, utility tax, telecommunications tax, and transfers from other funds.

The Village administers the following major proprietary fund:

Waterworks and Sewerage Fund – This fund accounts for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

The Village administers two internal service funds:

Vehicle Maintenance Fund – This fund accounts for the fueling, maintenance and repair of Village owned vehicles and equipment. Financing is provided by charges to other funds.

Building Service Fund – This fund accounts for maintenance and repairs of Village-owned buildings. Financing is provided by charges to other funds.

Additionally, the Village administers fiduciary (pension trust and agency) funds for assets held by the Village in a fiduciary capacity on behalf of certain public safety employees and developers. The Village reports one pension trust fund, the Police Pension Fund, which accounts for resources accumulated for retirement annuities for sworn police officers. The Village reports one agency fund, the Developer Deposits Fund, which accounts for refundable developer deposits.

(c) Measurement Focus and Basis of Accounting and Financial Statement Presentation

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, except for agency funds which have no measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, State shared revenues and various State, Federal and local grants. On an accrual basis, revenues from taxes are recognized when the Village has a legal claim to the resources. Grants, entitlements, State shared revenues and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

Significant revenue sources which are susceptible to accrual include property taxes, other taxes, grants, charges for services, and interest. All other revenue sources are considered to be measurable and available only when cash is received.

Village of Algonquin, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

(c) Measurement Focus and Basis of Accounting and Financial Statement Presentation (Continued)

Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments, and compensated absences are recorded only when payment is due (upon employee retirement or termination). General capital asset acquisitions are reported as expenditures in governmental funds.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations.

(d) Cash and Cash Equivalents

The Village's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

(e) Investments

Investments are stated at fair value, except for insurance contracts which are carried at contract value which approximates fair value.

(f) Property Taxes

The Village annually establishes a legal right to the property tax assessments upon the enactment of a tax levy ordinance by the Village Board. These tax assessments are levied in December and attach as an enforceable lien on the previous January 1. Tax bills are prepared by the County and issued on or about May and August, and are payable in two installments which are due on or about June 15 and September 1.

Property taxes are billed, collected and remitted periodically by the County Treasurers of Kane and McHenry County, Illinois. A reduction for collection losses, based on historical collection experience, has been provided to reduce the taxes receivable to the estimated amount to be collected. Since the 2014 property tax levy is levied to finance the operations of the fiscal year beginning May 1, 2015, the 2014 property tax levy is considered deferred inflows of resources as of year-end.

(g) Inventory and Prepaid Items

Inventories are accounted for at cost, using the first-in, first-out method. Inventories are accounted for under the consumption method, whereby acquisitions are recorded in inventory accounts initially and charged as expenditures when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items/expenses. Amounts are recorded as expenditures/expenses using the consumption method.

Village of Algonquin, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

(h) Interfund Receivables/Payables

The Village has the following types of transactions between funds:

Loans and Advances—amounts provided with a requirement for repayment. In the fund financial statements, interfund loans are reported as due from other funds in lender funds and due to other funds in borrower funds. Any residual balances outstanding between the governmental activities and business-type activities are reported as internal balances in the government-wide statement of net position.

Services provided and used—sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as due to/from other funds in the fund balance sheets or fund statements of net position.

Reimbursements—repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers—flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers in/out are reported as a separate category after nonoperating revenues and expenses.

(i) Capital Assets

Capital assets which include land, buildings, building improvements, vehicles and equipment, infrastructure, which includes streets, storm sewers, bridges, and the water and sewer system, improvements other than buildings, and intangibles, which include internally generated software, easements and intangibles other than easements, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost ranging from \$25,000 to \$250,000, depending on asset type, and an estimated useful life of greater than one year. Purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received.

Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Expenditures for asset acquisitions and improvements are stated as capital outlay expenditures in the governmental funds.

For Proprietary Funds, interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

Village of Algonquin, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

(i) Capital Assets (continued)

Depreciation of capital assets is recorded in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position and is provided on the straight-line basis over the following estimated useful lives:

	<u>Years</u>
Buildings	50
Streets/bridges	40 - 50
Vehicles and equipment	3 - 10
Water and sewer system	20 - 40
Improvements other than buildings	5 - 50
Other equipment and other intangibles*	4 - 20

*Items to be amortized over the contractual period to which they relate

(j) Compensated Absences

It is the Village's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The General Fund is typically used to liquidate these liabilities.

Vested or accumulated vacation and sick leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. In accordance with the provisions of GASB 16, *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

(k) Long-term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business-type activities and proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are expensed when incurred. Bonds payable are reported net of the applicable bond premium or discount.

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

Debt service funds are specifically established to account for and service the long-term obligations for the governmental funds debt. Enterprise funds individually account for and service the applicable debt that benefits those funds. Long-term debt is recognized as a liability in a governmental fund when due, or when resources have been accumulated for payment early in the following year. For other long-term obligations, only that portion expected to be financed with available financial resources is reported as a fund liability of a governmental fund.

Village of Algonquin, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

(l) Deferred Inflows of Resources and Unearned Revenue

In accordance with Governmental Accounting Standards Board Statement No. 65 (GASB 65) *Items Previously Recorded as Assets and Liabilities*, the Village reports both deferred inflows of resources and unearned revenues on its financial statements. Deferred inflows of resources arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period for the governmental funds. Deferred inflows of resources also arise when property tax receivables are recorded prior to the period the levy is intended to finance. Unearned revenues arise when resources are received by the Village before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when revenue recognition criteria are met or when the Village has a legal claim to the resources, the liability for unearned revenues is removed from the financial statements and revenue is recognized.

(m) Net Position

In the government-wide and proprietary fund financial statements, equity is displayed in three components as follows:

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds (and related deferred outflows of resources) and other debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position result when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position that does not meet the criteria of the two preceding categories.

See the policy below for the use of restricted resources in the governmental funds. Restricted net position balances may differ from restricted fund balances reported in the governmental fund statements because the basis of accounting is different. For business-type activities and proprietary funds, the Village considers restricted resources to have been spent first when an expense is incurred for which both restricted and unrestricted resources are available.

Village of Algonquin, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

(n) Fund Balances

Governmental Accounting Standards Board Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. In addition, GASB 54 modified certain fund type definitions.

Within the governmental fund types, the Village's fund balances are reported in one of the following classifications:

Nonspendable – includes amounts that cannot be spent because they are either: a) not in spendable form; or b) legally or contractually required to be maintained intact.

Restricted – includes amounts that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributions, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Village's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Village removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The Village's highest level of decision-making authority rests with the Village's Board. The Village passes ordinances to commit their fund balances.

Assigned – includes amounts that are constrained by the Village's *intent* to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by: a) the Village's Board itself; b) a body or official to which the Board has delegated the authority to assign amounts to be used for specific purposes. The Village's Board has not delegated authority to any other body or official to assign amounts for a specific purpose within the General Fund. Within the other governmental fund types (special revenue, debt service, capital projects) the Board assigns resources in accordance with the established fund purpose through the passage of the annual budget / appropriation ordinance.

Unassigned – includes the residual fund balance that has not been restricted, committed, or assigned within the general fund and deficit fund balances of other governmental funds.

In the General Fund, the Village considers restricted amounts to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, followed by committed amounts then assigned amounts. Unassigned amounts are used only after the other categories of fund balance have been fully utilized.

In governmental funds other than the General Fund, the Village considers restricted amounts to have been spent last. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Village will first utilize assigned amounts, followed by committed amounts then restricted amounts.

Village of Algonquin, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

(o) Accounting Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from these estimates.

Note 2. Stewardship, Compliance and Accountability

Budgetary Information

All departments of the Village submit requests for appropriation so that a budget may be prepared. The budget is prepared by fund, function, and activity, and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year.

The proposed budget is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget.

The budget may be amended by the governing body. The legal level of budgetary control is at the fund level.

All funds adopt an annual budget and budgets are prepared on a basis consistent with GAAP except for the Waterworks and Sewerage Fund in that depreciation, amortization, and gains/losses on the sales of capital assets are not budgeted and capital outlay and debt principal retirements (other than defeasements) are budgeted.

In addition, the Village established the Downtown TIF District Fund during the year to account for the activity of the recently passed Tax Increment Financing District within the Village. This fund was not budgeted for in fiscal year 2015 due to the fact that the fund was not in existence at the time the budget was finalized. The Village Board took action to pass ordinances related to the establishment of the Fund in October 2014. As of April 30, 2015 the Downtown TIF District Fund had a deficit fund balance of \$279,467. This deficit balance was anticipated as the existing advances in the fund will be paid off towards the end of the life of the TIF as increments from the TIF increase.

Note 3. Deposits and Investments

Illinois statutes authorize the Village 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 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, and the Illinois Funds. Pension funds may also invest in certain non-U.S. obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, and certain equities, subject to limitations.

Village of Algonquin, Illinois

Notes to Financial Statements

Note 3. Deposits and Investments (Continued)

As of April 30, 2015, cash and investments consisted of the following:

	Village	Fiduciary Activities		Total
		Pension Trust Fund	Agency Fund	
Demand deposits	\$ 3,268,529	\$ 183,770	\$ 381,563	\$ 3,833,862
The Illinois Funds	19,143,712	237,103	-	19,380,815
Illinois Metropolitan Investment Fund	11,056,063	-	-	11,056,063
Money market funds	76,667	564,857	-	641,524
U.S. treasury securities	-	2,145,346	-	2,145,346
U.S. agency securities	2,966,217	1,887,881	-	4,854,098
Corporate bonds	150,635	4,201,874	-	4,352,509
Municipal bonds	-	125,282	-	125,282
Mutual funds - equity	-	12,187,407	-	12,187,407
Total	<u>\$ 36,661,823</u>	<u>\$ 21,533,520</u>	<u>\$ 381,563</u>	<u>\$ 58,576,906</u>

The Illinois Funds

Illinois Funds is an investments pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Funds' share price, which is the price the investment could be sold for.

Illinois Metropolitan Investment Fund

The Illinois Metropolitan Investment Fund (IMET) is not registered with the SEC. Oversight for IMET is provided by the IMET Board. The Board is responsible for policy formulation, as well as policy and administration oversight. The fair value of the positions in the pool is the same as the value of the pool shares.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. It is the policy of the Village to require that funds on deposit in excess of FDIC limits be secured by some form of collateral. The amount of collateral provided will not be less than 105% of the fair market value of the net amount of public funds secured. Pledged collateral will be held in safekeeping by an independent third party depository designated by the Village and evidenced by a safekeeping agreement. As of April 30, 2015, the Village was not exposed to custodial credit risk as all deposits were either insured or collateralized with investments held by the Village or its agent, in the Village's name.

Village of Algonquin, Illinois

Notes to Financial Statements

Note 3. Deposits and Investments (Continued)

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will decrease as a result of an increase in interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Village's investment policy requires to the extent possible, to attempt to match investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Village will not directly invest in securities maturing more than two years from the date of purchase (excludes the Pension Fund). Reserve funds may be invested in securities exceeding two years if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds. As of April 30, 2015, the Village had the following debt security investments and maturities.

Investment Type*	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	6 - 10	Greater than 10
U.S. Agency Securities	\$ 2,966,217	\$ 160,297	\$ 1,097,746	\$ 966,878	\$ 741,296
Corporate bonds	150,635	150,635	-	-	-
Illinois Metropolitan Investment Fund	11,056,063	11,056,063	-	-	-
Total investments	\$ 14,172,915	\$ 11,366,995	\$ 1,097,746	\$ 966,878	\$ 741,296

* Table excludes money market funds and Illinois Funds which are 2a7 and 2a7 like pools and are recorded at amortized cost.

Of the investments held by the Village with maturities in excess of two years, all maturities are scheduled to coincide with debt service principal requirements.

As a means of limiting its exposure to fair value losses arising from rising interest rates, the pension plan's investment policy requires to the extent possible, to attempt to match investments with anticipated cash flow requirements. As of April 30, 2015, the Police Pension Fund had the following investments and maturities.

Investment Type*	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	6 - 10	Greater than 10
U.S. treasury securities	\$ 2,145,346	\$ 209,835	\$ 990,805	\$ 578,940	\$ 365,766
U.S. agency securities	1,887,881	157,492	704,337	335,514	690,538
Corporate bonds	4,201,874	283,933	2,074,066	1,111,909	731,966
Municipal bonds	125,282	-	88,692	36,590	-
Total investments	\$ 8,360,383	\$ 651,260	\$ 3,857,900	\$ 2,062,953	\$ 1,788,270

* Table excludes money market funds and Illinois Funds which are 2a-7 and 2a7 like pools and are recorded at amortized cost.

Village of Algonquin, Illinois

Notes to Financial Statements

Note 3. Deposits and Investments (Continued)

Credit Risk

Credit risk is the risk that the Village or Pension Plan will not recover their investments due to the ability of the counterparty to fulfill its obligation.

The Village policy addresses credit risk by mitigating their risk of loss by allowing investing with pre-qualified financial institutions, broker/dealers, intermediaries, and advisors. The Village limits investments to the safest type of securities as defined by the Village Investment Policy. In addition, the Village diversifies their investment portfolio to minimize potential losses from any single type of security or from any individual issuer.

The Village limits its exposure to credit risk, by investing mainly in external investment pools. The Illinois Funds is rated AAA by Standard & Poor's. As of April 30, 2015 the Illinois Metropolitan Investment Fund (IMET) and the Village's money market fund are not rated.

As of April 30, 2015, the Village's fixed income investments were rated as follows by Standard & Poor's:

Investment Type	Fair Value	Standard & Poors			
		AAA	AA	A	NR
U.S. agency securities	\$ 2,966,217	\$ -	\$ 988,058	\$ -	\$ 1,978,159
Corporate bonds	150,635	-	-	150,635	-
	<u>\$ 3,116,852</u>	<u>\$ -</u>	<u>\$ 988,058</u>	<u>\$ 150,635</u>	<u>\$ 1,978,159</u>

As of April 30, 2015, the Village's fixed income investments were rated as follows by Moody's:

Investment Type	Fair Value	Moody's			
		AAA	AA	A	NR
U.S. agency securities	\$ 2,966,217	\$ 988,058	\$ -	\$ -	\$ 1,978,159
Corporate bonds	150,635	-	-	150,635	-
	<u>\$ 3,116,852</u>	<u>\$ 988,058</u>	<u>\$ -</u>	<u>\$ 150,635</u>	<u>\$ 1,978,159</u>

The Pension Plan general investment policies follow the prudent person rule subject to the specific restrictions of the Illinois Pension Code and the Pension Funds' asset allocation policy. Under the prudent person rule, investments shall be made with care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the investment of a fund or like character and with like aims.

The Illinois Funds is rated AAA by Standard & Poor's. The Pension Fund's money market funds are not rated. U.S. Treasury obligations are backed by the full faith and credit of the U.S. Government and are not considered to have credit risk.

Village of Algonquin, Illinois

Notes to Financial Statements

Note 3. Deposits and Investments (Continued)

As of April 30, 2015, the Pension Fund fixed income investments as rated by Standard & Poor's:

Investment Type	Fair Value	Standard & Poors				
		AAA	AA	A	BBB	NR
U.S. agency securities	\$ 1,887,881	\$ -	\$ 1,051,419	\$ -	\$ -	\$ 836,462
Corporate bonds	4,201,874	147,782	438,485	2,007,133	1,541,130	67,344
Municipal bonds	125,282	15,068	-	-	-	110,214
	<u>\$ 6,215,037</u>	<u>\$ 162,850</u>	<u>\$ 1,489,904</u>	<u>\$ 2,007,133</u>	<u>\$ 1,541,130</u>	<u>\$ 1,014,020</u>

As of April 30, 2015, the Pension Fund fixed income investments as rated by Moody's:

Investment Type	Fair Value	Moody's				
		AAA	AA	A	BBB	NR
U.S. agency securities	\$ 1,887,881	\$ 1,051,419	\$ -	\$ -	\$ -	\$ 836,462
Corporate bonds	4,201,874	147,782	448,638	1,701,291	1,781,063	123,100
Municipal bonds	125,282	25,701	99,581	-	-	-
	<u>\$ 6,215,037</u>	<u>\$ 1,224,902</u>	<u>\$ 548,219</u>	<u>\$ 1,701,291</u>	<u>\$ 1,781,063</u>	<u>\$ 959,562</u>

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Village and Police Pension Fund investment policies require that all security transactions entered into shall be conducted on a delivery-verses-payment (DVP) basis. Securities will be held by a third party custodian designated by the Village/Police Pension Fund and evidenced by safekeeping receipts.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in any one single issuer.

The Village's investment policy places the following limitations on investments:

- No financial institution shall hold more than 40% of the Village's investment portfolio unless collateralized, exclusive of U.S. Treasury securities in safekeeping.
- Monies deposited at a financial institution shall not exceed 75% of the capital stock and surplus of that institution.
- Commercial paper shall not exceed 15% of the Village's investment portfolio.
- Brokered certificates of deposit shall not exceed 25% of the Village's investment portfolio.

As of the April 30, 2015, the Village has invested \$19,143,712 with The Illinois Funds, which represents 57 percent of the Village's investment portfolio and, therefore, the Village is not in compliance with the policy. The Village is in the process of reviewing the policy and the balances to ensure that risks are properly mitigated moving forward.

Village of Algonquin, Illinois

Notes to Financial Statements

Note 3. Deposits and Investments (Continued)

The Pension Fund Investment Policy states that no more than 20% of the portfolio shall be invested in any issuer with the exclusion of U.S. Treasury Securities. In addition:

- Monies deposited at a financial institution shall not exceed 75% of the capital stock and surplus of that institution.
- Commercial paper shall not exceed 10% of the Fund's investment portfolio.
- Deposits in the Illinois Public Treasurer's Investment Pool shall not exceed 50% of the Fund's investment portfolio.
- Brokered certificates of deposit shall not exceed 25% of the Fund's investment portfolio.

The Village Pension Fund had the following investments (other than those explicitly guaranteed by the U.S. government) that exceeded 5% of Plan net position as of April 30, 2015:

Issuer	Fair Value	Percentage of Plan Net Position
Federal National Mortgage Association	\$ 1,105,472	5.12%

Note 4. Capital Assets

(a) Governmental Activities

A summary of changes in capital assets for governmental activities of the Village is as follows:

	Balance May 1	Additions	Deletions	Balance April 30
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 94,570,598	\$ 439,500	\$ 174,225	\$ 94,835,873
Construction in progress	2,595,097	2,976,492	3,281,853	2,289,736
Total capital assets not being depreciated	<u>97,165,695</u>	<u>3,415,992</u>	<u>3,456,078</u>	<u>97,125,609</u>
Capital assets being depreciated:				
Buildings	15,976,573	-	-	15,976,573
Improvements other than buildings	15,422,499	400,194	-	15,822,693
Vehicles and equipment	6,174,631	526,312	364,800	6,336,143
Streets/storm sewers/bridges	104,544,833	4,950,293	691,825	108,803,301
	<u>142,118,536</u>	<u>5,876,799</u>	<u>1,056,625</u>	<u>146,938,710</u>
Less accumulated depreciation for:				
Buildings	4,752,115	319,008	-	5,071,123
Improvements other than buildings	7,210,292	768,634	-	7,978,926
Vehicles and equipment	5,138,583	364,271	364,800	5,138,054
Streets/storm sewers/bridges	39,233,492	2,692,106	378,610	41,546,988
	<u>56,334,482</u>	<u>4,144,019</u>	<u>743,410</u>	<u>59,735,091</u>
Total capital assets being depreciated, net	<u>85,784,054</u>	<u>1,732,780</u>	<u>313,215</u>	<u>87,203,619</u>
Governmental activities capital assets, net	<u>\$ 182,949,749</u>	<u>\$ 5,148,772</u>	<u>\$ 3,769,293</u>	<u>\$ 184,329,228</u>

Village of Algonquin, Illinois

Notes to Financial Statements

Note 4. Capital Assets (Continued)

(b) Business-Type Activities

A summary of changes in capital assets for business-type activities of the Village is as follows:

	Balance May 1	Additions	Deletions	Balance April 30
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 3,644,048	\$ -	\$ -	\$ 3,644,048
Construction in progress	965,120	1,346,070	1,011,029	1,300,161
Total capital assets not being depreciated	<u>4,609,168</u>	<u>1,346,070</u>	<u>1,011,029</u>	<u>4,944,209</u>
Capital assets being depreciated:				
Water and sewer system	90,203,270	1,149,728	3,870	91,349,128
Buildings	17,403,306	-	-	17,403,306
Machinery and equipment	1,333,596	67,134	28,460	1,372,270
	<u>108,940,172</u>	<u>1,216,862</u>	<u>32,330</u>	<u>110,124,704</u>
Less accumulated depreciation for:				
Water and sewer system	46,307,159	3,035,128	3,870	49,338,417
Buildings	4,411,841	348,066	-	4,759,907
Machinery and equipment	928,517	79,610	28,460	979,667
	<u>51,647,517</u>	<u>3,462,804</u>	<u>32,330</u>	<u>55,077,991</u>
Total capital assets being depreciated, net	<u>57,292,655</u>	<u>(2,245,942)</u>	<u>-</u>	<u>55,046,713</u>
Business-type activities capital assets, net	<u>\$ 61,901,823</u>	<u>\$ (899,872)</u>	<u>\$ 1,011,029</u>	<u>\$ 59,990,922</u>

Village of Algonquin, Illinois

Notes to Financial Statements

Note 4. Capital Assets (Continued)

(c) Depreciation Charged to Functions/Activities

Depreciation was charged to functions/activities as follows:

	Governmental Activities	Business-Type Activities
General government	\$ 312,048	\$ -
Public safety	27,235	-
Public works	3,804,736	-
Water and sewer	-	3,462,804
	<u>\$ 4,144,019</u>	<u>\$ 3,462,804</u>

Note 5. Capital Lease

The Village entered into a lease agreement as lessee to finance technology equipment. The lease is due in installments through its maturity on July 14, 2018 at an annual rate of 5.277 percent. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date.

The assets acquired through the capital lease are as follows:

Assets:	
Equipment	\$ 85,012
Less: accumulated depreciation	<u>(21,253)</u>
Total	<u>\$ 63,759</u>

The future minimum lease obligations and net present value of the minimum lease payments as of April 30, 2015 are as follows:

Year ending April 30,	Future Obligations
2016	\$ 24,120
2017	24,120
2018	24,120
2019	6,032
Less: amount representing interest	<u>(6,499)</u>
Present value of minimum lease payments	<u>\$ 71,893</u>

Village of Algonquin, Illinois

Notes to Financial Statements

Note 6. Long-Term Obligations

The following is a summary of changes in the Village's long-term liabilities in 2015:

	Balance May 1, 2014	Additions	Retirements	Balance April 30, 2015	Amounts due within one year
Governmental activities:					
Capital lease	\$ 91,650	\$ -	\$ 19,757	\$ 71,893	\$ 20,825
General obligation bonds	3,545,000	-	670,000	2,875,000	545,000
Unamortized bond premium	120,621	-	25,430	95,191	-
Compensated absences	1,182,851	1,527,029	1,663,790	1,046,090	718,821
Other postemployment benefits	255,062	101,427	15,548	340,941	-
Total governmental activities	5,195,184	1,628,456	2,394,525	4,429,115	1,284,646
Business-type activities:					
General obligation bonds	7,645,000	-	570,000	7,075,000	590,000
Unamortized bond premium	298,788	-	25,073	273,715	-
Compensated absences	214,803	264,880	245,004	234,679	140,251
Total business-type activities	8,158,591	264,880	840,077	7,583,394	730,251
Total Village long-term liabilities	\$ 13,353,775	\$ 1,893,336	\$ 3,234,602	\$ 12,012,509	\$ 2,014,897

The following is a summary of debt transactions of the Village for the year ended April 30, 2015:

General Obligation Bonds. The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for general government activities, enterprise activities, as well as for refunding previously issued general obligation bonds.

Description	Fund Debt Retired By	Balances May 1	Issuances	Retirements	Balances April 30
Governmental Activities:					
General Obligation Bonds -					
General Obligation Refunding Series 2010 \$2,425,000 Initial Aggregate Principal due in annual installments of \$555,000 to \$660,000; interest at 2.0% to 3.0% through April 1, 2015	Debt Service	\$ 660,000	\$ -	\$ 660,000	\$ -
General Obligation Refunding Series 2014A \$2,885,000 Initial Aggregate Principal due in annual installments of \$10,000 to \$615,000; interest at 2.0% to 2.5% through April 1, 2020	Debt Service	2,885,000	-	10,000	2,875,000
Total General Obligation Bonds - Governmental Activities		\$ 3,545,000	\$ -	\$ 670,000	\$ 2,875,000

Village of Algonquin, Illinois

Notes to Financial Statements

Note 6. Long-Term Obligations (Continued)

Description	Fund Debt Retired By	Balances May 1	Additions	Retirements	Balances April 30
Business-type Activities:					
General Obligation Bonds -					
General Obligation Refunding Series 2013 \$7,645,000 Initial Aggregate Principal due in annual installments of \$570,000 to \$830,000; interest at 3.00% to 3.25% through April 1, 2025	Waterworks and Sewerage	\$ 7,645,000	\$ -	\$ 570,000	\$ 7,075,000
Total General Obligation Bonds - Business type Activities		\$ 7,645,000	\$ -	\$ 570,000	\$ 7,075,000

Debt Service Requirements

As of April 30, 2015, debt service requirements to maturity on the outstanding general obligation bonds, including interest, are as follows:

Year Ending April 30	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2016	\$ 545,000	\$ 63,575	\$ 608,575	\$ 590,000	\$ 214,325	\$ 804,325
2017	550,000	52,675	602,675	610,000	196,625	806,625
2018	565,000	41,675	606,675	630,000	178,325	808,325
2019	600,000	30,375	630,375	665,000	159,425	824,425
2020	615,000	15,375	630,375	695,000	139,475	834,475
2021-2025	-	-	-	3,885,000	368,725	4,253,725
Total	\$ 2,875,000	\$ 203,675	\$ 3,078,675	\$ 7,075,000	\$ 1,256,900	\$ 8,331,900

Village of Algonquin, Illinois

Notes to Financial Statements

Note 7. Interfund Balances and Transfers

Interfund Balances

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Interfund balances are intended to be repaid currently from other resources of respective funds. Individual interfund balances at April 30, 2015 are shown as follows:

Due to/from Other Funds

Receivable Fund	Payable Fund	Detail	Due From/To Other Funds
General	Nonmajor Governmental	Short-term loan	<u>\$ 279,467</u>

Interfund Transfers

Transfers are used to (1) move revenues from the fund with collection authorization to the debt service fund as debt service and interest payments become due, or (2) move restricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorization. Interfund transfers are recorded for permanent transfers between funds which are not expected to be repaid. Individual interfund transfers for the Village at April 30, 2015 are shown as follows:

Transfer In Fund	Transfer Out Fund	Detail	Transfers From/To Other Funds
Debt Service	General	Debt service	<u>\$ 596,147</u>

Note 8. Other Information

(a) Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions. The Village participates in the McHenry County Municipal Risk Management Association (MCMRMA).

The Village pays annual premiums to MCMRMA for its workers' compensation, general liability, public official's liability claims and property coverage. The Cooperative agreement provides that MCMRMA will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$150,000 per occurrence for workers' compensation and \$100,000 per occurrence for general liability and property. One representative from each member serves on the MCMRMA board, and each board member has one vote on the board. None of its members have any direct equity interest in MCMRMA.

Village of Algonquin, Illinois

Notes to Financial Statements

Note 8. Other Information (Continued)

(a) Risk Management (Continued)

The Village purchases commercial insurance to cover its employees for health and accident claims.

The Village has not had significant reductions in insurance coverage during the year nor did settlements exceed insurance coverage in any of the last three years.

(b) Joint Venture

The Village is a founding member of SEECOM - Southeast Emergency Communication. SEECOM 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). SEECOM is a cooperative joint venture organized for the purpose of providing the equipment, services and other items necessary and appropriate for the establishment, operation and maintenance of a joint public safety communications system for the mutual benefit of the members of SEECOM. The founding members of SEECOM consist of the Village of Algonquin, Illinois, the City of Crystal Lake, Illinois, and the Village of Cary, Illinois.

SEECOM is governed by an executive board established with three voting members consisting of the Village Manager/Village Administrator/City Manager, or their respective staff designees, from the three founding communities. Each member of the Executive Board is entitled to one vote. Two non-voting members also consist of one member from the Fire Services Advisory Board and one member from the Law Enforcement Advisory Board. These non-voting Board members represent other member communities.

Each of SEECOM's three members paid an initial entry fee as determined and agreed to by SEECOM's Board and the three members. Each member also pays a portion of the initial capital cost financed by the issuance of a bond. Each member's portion of the initial capital costs are based on the actual capital cost multiplied by the member's proportionate share of the number of calls for service from the preceding year. Each member pays a percentage of the operating costs of SEECOM as determined by the total operational costs less contracted services by each member's proportional share of the calls for service handled by SEECOM. Calls for service are one year in arrears.

All property, real and personal, acquired by SEECOM are owned in common by the members under the intergovernmental agreement. Each of the three members under the intergovernmental agreement are liable for the debts and liabilities of SEECOM. The intergovernmental agreement establishing SEECOM is in effect for a period of 15 years from the effective date of June 2003. Thereafter, it is automatically renewed with no affirmative action by the three members for successive 5-year periods commencing May 1 until notice of termination is given. Any terminating member shall remain liable for their share of the capital expenditures incurred prior to the effective date of their termination. Upon termination by any member, SEECOM shall reimburse the terminated member for its share of the un-depreciated value of SEECOM's capital assets.

Village of Algonquin, Illinois

Notes to Financial Statements

Note 8. Other Information (Continued)

(b) Joint Venture (Continued)

SEECOM financial statements can be obtained at SEECOM's office located at 100 West Woodstock Street, Crystal Lake, IL 60014.

The Village reports its activities in SEECOM as a governmental joint venture. In accordance with the joint venture agreement, the Village remitted \$559,927 to SEECOM during fiscal year 2015. In addition, the Village's equity interest in the joint venture's net position of \$367,118 is recorded within the governmental activities column of the Statement of Net Position.

Note 9. Employee Retirement Systems and Plans

(a) Illinois Municipal Retirement

Plan Description

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

Information related to the employer's contributions and three-year trend information is on a fiscal year basis. The actuarial information and schedule of funding progress are on a calendar year basis as that is the year used by IMRF.

Funding Policy

As set by statute, employer regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar years 2015 and 2014 were 11.66 percent and 11.35 percent, respectively, of annual covered payroll. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Village of Algonquin, Illinois

Notes to Financial Statements

Note 9. Employee Retirement Systems and Plans (Continued)

(a) Illinois Municipal Retirement (Continued)

Annual Pension Cost

The Village's annual pension cost of \$777,631 for the regular plan was equal to the Village's required and actual contributions.

For Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset (Obligation)
2015	\$ 777,631	100 %	\$ -
2014	765,961	100	-
2013	719,245	100	-

The required contributions for 2015 and 2014 were determined as part of the December 31, 2013 and 2012 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.50 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10 percent per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3 percent annually. The actuarial value of the Village's regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial and market value of assets. The regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open 29-year basis.

Funded Status and Funding Progress

As of December 31, 2014, the most recent actuarial valuation date, the regular plan was 77.37 percent funded. The actuarial liability for benefits was \$17,850,094 and the actuarial value of assets was \$13,810,090, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,040,004. The covered payroll (annual payroll of active employees covered by the plan) was \$6,829,123 and the ratio of the UAAL to the covered payroll was 59.16 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

(b) Police Pension – GASB Statement No. 67 Disclosures

Defined Benefit Pension Plan for Public Safety Employees

Summary of Significant Accounting Policies

Basis of Accounting:

The financial statements are prepared using the accrual basis of accounting. Plan member and employer contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. Certain short-term investments are reported at cost, which approximates fair value. Administrative costs are financed through investment earnings. No stand-alone statements are issued for the defined benefit pension plan.

Village of Algonquin, Illinois

Notes to Financial Statements

Note 9. Employee Retirement Systems and Plans (Continued)

(b) Police Pension – GASB Statement No. 67 Disclosures (Continued)

Summary of Significant Accounting Policies (Continued)

Due to the fact that the Police Pension Plan does not issue stand-alone statements, the Village is required to report the implementation requirements related to GASB Statement No. 67, *Financial Reporting for Pension Plans*, for the year ending April 30, 2015.

Plan Description

Plan administration:

Police-sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan administered by the Village of Algonquin. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Article 3 of the Illinois Pension Code and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. An actuarial valuation was performed as of April 30, 2015, and, accordingly, the most recent available information has been presented.

Management of the Police Pension Plan is vested in the Police Pension Board which consists of five members, two members are elected from and by the active police, one is elected from and by the beneficiaries and two are appointed by the Village President with the approval of the Village Board of Trustees. There have been no changes in the makeup of the Board during fiscal year 2015.

Plan membership:

At April 30, 2015, the Police Pension Plan membership consisted of:

Inactive plan members (or their beneficiaries)	
currently receiving benefits	12
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	<u>46</u>
Total	<u><u>60</u></u>

Benefits provided:

The Illinois Pension Code (40 ILCS 5/Art. 3) is the authority under which pension benefit terms are established.

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit 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 percent of such salary for each additional year of service over 20 years up to 30 years, and 1 percent of such salary for each additional year of service over 30 years, to a maximum of 75 percent of such salary.

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

Village of Algonquin, Illinois

Notes to Financial Statements

Note 9. Employee Retirement Systems and Plans (Continued)

(b) Police Pension – GASB Statement No. 67 Disclosures (Continued)

Plan Description (Continued)

The maximum salary cap increases each year thereafter. The monthly benefit of a police officer hired before January 1, 2011, who retired with 20 or more years of services after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter. The monthly pension of a police officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, but the lessor of 3 percent or one half of the consumer price index. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

Contributions:

Covered employees are required to contribute 9.91 percent of their base salary to the plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Illinois Pension Code (40 ILCS 5/Art. 3) establishes the contribution requirements of the Village. The annual requirement is equal to (1) the normal cost of the pension fund for the year plus (2) an amount sufficient to bring the total assets of the pension fund up to 90% of the actuarial liabilities of the pension fund by December 31, 2040. Only the State legislature can amend the contribution requirements. For the year ended April 30, 2015, the statutory minimum which the Village is required to contribute was \$1,112,034, or 26.5 percent of covered member payroll. The Village has a policy to contribute amounts greater than the State minimum required. Actual contribution for fiscal year 2015 was \$1,179,000 or 28.1 percent of covered member payroll.

Investments

Investment policy:

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Police Pension Board by a majority vote of its members. It is the policy of the Police Pension Board to pursue an investment strategy that minimizes risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. See Note 3 for more details on the Police Pension's investment policy. The following is the Board's adopted asset allocation policy as of April 30, 2015:

<u>Asset Class</u>	<u>Target Asset Allocation</u>
Cash and cash equivalents	0%
Fixed income	35%
Equities and alternatives	65%
	<u>100%</u>

Village of Algonquin, Illinois

Notes to Financial Statements

Note 9. Employee Retirement Systems and Plans (Continued)

(b) Police Pension – GASB Statement No. 67 Disclosures (Continued)

Investments (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method. The best estimate of future real rates of return are developed for each of the major asset classes. Future real rates of return are weighted based on the target asset allocation as adopted by the Board within the investment policy. Expected inflation is added back in. Adjustment is made to reflect geometric returns. The following are the expected long-term expected arithmetic real rates of return by asset class as of April 30, 2015:

<u>Asset Class</u>	<u>Long-Term Expected Rate of Return</u>	<u>Long-Term Inflation Expectations</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and cash equivalents	3.0%	3.0%	0.0%
Fixed income:			
United States fixed income	4.6%	3.0%	1.6%
Equities:			
US Large-Cap Growth Equity	10.0%	3.0%	7.0%
US Large-Cap Value Equity	9.6%	3.0%	6.6%
US Small-Cap Growth Equity	12.0%	3.0%	9.0%
US Small-Cap Value Equity	11.1%	3.0%	8.1%
Europe Equity	10.1%	3.0%	7.1%
Asia Pacific ex Japan Equity	11.7%	3.0%	8.7%
Emerging Markets Equity	11.9%	3.0%	8.9%
Alternatives			
Real Estate Investment Trusts	9.3%	3.0%	6.3%
Natural Resources	11.1%	3.0%	8.1%
Equity Long-Short	7.2%	3.0%	4.2%
Infrastructure	8.4%	3.0%	5.4%

Method used to value investments:

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

Significant Investments

Information on significant investments is presented in Note 3 under “Concentration of Credit Risk.”

Rate of return:

For the year ended April 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.77 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Village of Algonquin, Illinois

Notes to Financial Statements

Note 9. Employee Retirement Systems and Plans (Continued)

(b) Police Pension – GASB Statement No. 67 Disclosures (Continued)

Net Pension Liability of the Village

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

Total pension liability	\$ 39,007,690
Plan fiduciary net position	<u>21,605,685</u>
Village's net pension liability	<u>\$ 17,402,005</u>
Plan fiduciary net position as a percentage of the total pension liability	55.39%

The total pension liability was determined by an actuarial valuation as of April 30, 2015, using the following methods and actuarial assumptions, applied to all periods included in the measurement:

Methods and Assumptions

Valuation date	April 30, 2015
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Pay
Discount Rate used for the Total Pension Liability	
Long-Term Expected Rate of Return on Plan Assets	7.00%
Projected Individual Salary Increases	5.50%
Inflation Rate Included	3.00%
Mortality	RP-2000 (CHBCA)

Mortality rates were based on the RP-2000 CHBCA Mortality Table. The actuarial assumptions used in the April 30, 2015 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

Discount rate:

The discount rate used to measure the total pension liability is 7.00 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Cash flow projections are used to determine the extent to which the Plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the Plan's projected net position, the expected long-term rate of return on plan assets is used to determine the portion of the net pension liability associated with those payments. To the extent future benefit payments are not covered by the Plan's projected net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments. The Plan's projected net position is expected to cover future benefit payments in full for the current members, so the municipal bond rate is not applicable in the discount rate utilized. Therefore, the long-term expected rate of return on pension plan assets was applied to all periods of projected benefit payments to determine the total pension liability.

Village of Algonquin, Illinois

Notes to Financial Statements

Note 9. Employee Retirement Systems and Plans (Continued)

(b) Police Pension – GASB Statement No. 67 Disclosures (Continued)

Net Pension Liability of the Village (Continued)

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the net pension liability of the Village, calculated using the discount rate of 7 percent, as well as what the Villages net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6 percent) or 1-percentage-point higher (8 percent) than the current rate.

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Village's net pension liability	\$ 23,853,417	\$ 17,402,005	\$ 12,164,202

The schedule of changes in net pension liability, total pension liability and related ratios and investment returns and the schedule of contributions are presented as Required Supplementary Information (RSI) following the notes to the financial statements.

(c) Police Pension – GASB Statement No. 27 Disclosures

The following discussions are specific to the Village's current year financial statements and differ, in certain respects, from those presented on previous pages, which were included as part of the implementation of GASB 67 at the Pension Plan level. Effective for fiscal years ending on or after April 30, 2016, the following disclosures will no longer apply to the Village's financial statements, due to the required implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as discussed in Note 12.

The information included in this section pertaining to the Village's Police Pension Fund, is based on an actuarial valuation performed on April 30, 2015. The actuarial valuation was performed to determine the Village's required contribution and annual pension cost for that plan for its fiscal year ended April 30, 2015, computed under the provisions of GASB Statement No. 27.

Annual Pension Cost and Net Pension Asset

At April 30, 2015, the Village's annual pension cost was \$1,178,661. The Village's actual contribution was \$1,179,000. For a description of the significant actuarial assumptions, see "Significant Actuarial Assumptions" utilized for GASB 27. The net pension asset at April 30, 2015, was \$25,130. It was comprised of the following:

Net pension asset (obligation):	
Annual required contribution	\$ 1,178,898
Interest on net pension obligation	(1,735)
Adjustment to annual required contribution	<u>1,498</u>
Annual pension cost	1,178,661
Contributions made	<u>1,179,000</u>
Increase in net pension asset	339
Net pension asset at beginning of year	<u>24,791</u>
Net pension asset at end of year	<u><u>\$ 25,130</u></u>

Village of Algonquin, Illinois

Notes to Financial Statements

Note 9. Employee Retirement Systems and Plans (Continued)

(c) Police Pension – GASB Statement No. 27 Disclosures

Annual Pension Cost and Net Pension Asset (Continued)

The net pension asset of \$25,130 is reported by the Village in the government-wide Statement of Net Position.

Three-Year Trend Information:

For Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
2015	\$ 1,178,661	100.0	\$ 25,130
2014	1,020,183	100.5	24,791
2013	986,818	99.2	19,974

Funded Status and Funding Progress – Pension Trust Fund

The funded status of the Police Pension Plan as of April 30, 2015, the most recent actuarial valuation date, is as follows:

(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)–(1) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll	UAAL as a Percentage of Covered Payroll ((2-1)/3)
\$ 21,605,686	\$ 39,007,690	\$ 17,402,004	55.39 %	\$ 4,151,265	419.20 %

The schedule of funding progress presented in the Required Supplementary Information (RSI) following the notes the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Significant Actuarial Assumptions

The annual required contribution for the year ended April 30, 2015 was determined as part of the April 30, 2015 actuarial valuation report using the entry age normal cost method. The actuarial assumptions included (a) 7.0 percent investment rate of return, (b) projected salary increases of 5.5 percent, (c) 3.0 percent compounded per year cost of living adjustments for Tier 1 members and 2.0 percent simple per year cost of living adjustments for Tier 2 members. Both (a) and (b) included an inflation component of 3.0 percent. The actuarial value of police pension assets was determined using market values. The Police Pension Plan's unfunded actuarial liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at April 30, 2015 was 18 years.

Village of Algonquin, Illinois

Notes to Financial Statements

Note 10. Other Post-Employment Benefits (OPEB)

Plan Description

In addition to providing the pension benefits described in Note 9, the Village provides post-employment health care benefits (OPEB) for retired employees that were covered by the health care plan at retirement. However, with the exception of funding HMO medical health care for police officers who retired due to a duty related disability, retired Village employees are required to fully fund the premium for the health care policy.

The Plan provides medical and dental insurance benefits to eligible retirees and their dependents. The benefits, benefit levels, and employer contributions are governed by the Village Board and can only be amended by the Village Board. The Plan is not accounted for as a trust fund and an irrevocable trust has not been established. The Village does not issue a Plan financial report.

Funding Policy

The contribution requirements for plan members and the Village are established and may be amended by the Village Board and are detailed in the "Plan Document and Summary Plan Description." The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2015, the Village contributed \$15,548 to the plan, representing a portion of current premiums (approximately 24 percent of total premiums). Plan members receiving benefits contributed \$33,847 (approximately 76 percent of the total premiums, through their required contribution of \$426.89 per month for retiree-only coverage, \$870.40 for retiree and dependent coverage and \$1,237.07 for family coverage.

Annual OPEB Cost and Net OPEB Obligation

The Village's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Village's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Village's net OPEB obligation to the plan:

Annual required contribution (ARC)	\$ 103,966
Interest on net OPEB obligation	11,478
Adjustment to annual required contribution	<u>(14,017)</u>
Annual OPEB cost	101,427
Contribution made	<u>15,548</u>
Increase in net OPEB obligation	85,879
Net OPEB obligation beginning of year	<u>255,062</u>
Net OPEB obligation end of year	<u>\$ 340,941</u>

Village of Algonquin, Illinois

Notes to Financial Statements

Note 10. Other Post-Employment Benefits (OPEB) (Continued)

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation are as follows:

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
4/30/2015	\$ 101,427	15.3%	\$ 340,941
4/30/2014	101,653	14.6%	255,062
4/30/2013	56,407	27.6%	168,221

Funded Status and Funding Progress

As of the May 1, 2013 actuarial valuation (most recent available), the plan was 100% unfunded. The actuarial accrued liability for benefits was \$1,007,548, and the actuarial value of assets was \$0 (zero), resulting in an unfunded actuarial accrued liability (UAAL) of \$1,007,548. The covered payroll (annual payroll of active employees covered by the plan) was \$10,816,821, and the ratio of the UAAL to the covered payroll was 9 percent.

Annual OPEB Cost and Net OPEB Obligation (Continued)

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

In the May 1, 2013 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 7 percent initially and 5 percent ultimately. This rate included a 3.0 percent inflation assumption. The actuarial value of assets was determined using market value. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at April 30, 2015, was 29 years.

Village of Algonquin, Illinois

Notes to Financial Statements

Note 11. Fund Balance Reporting

At April 30, 2015, the Village's fund balances were classified as follows:

	General Fund	Street Improvement Fund	Nonmajor Governmental Funds	Totals
Nonspendable:				
Prepays	\$ 86,209	\$ -	\$ 166	\$ 86,375
Total Nonspendable	<u>86,209</u>	<u>-</u>	<u>166</u>	<u>86,375</u>
Restricted purpose:				
Donor Programs	578,255	-	-	578,255
Street Improvements	-	-	2,179,095	2,179,095
Cemetery Purposes	-	-	297,889	297,889
Total Restricted	<u>578,255</u>	<u>-</u>	<u>2,476,984</u>	<u>3,055,239</u>
Assigned purpose:				
Debt Service	-	-	612,055	612,055
Capital Projects	-	7,150,408	474,410	7,624,818
Total Assigned	<u>-</u>	<u>7,150,408</u>	<u>1,086,465</u>	<u>8,236,873</u>
Total Unassigned	<u>15,176,721</u>	<u>-</u>	<u>(279,467)</u>	<u>14,897,254</u>
Total Fund Balances	<u>\$ 15,841,185</u>	<u>\$ 7,150,408</u>	<u>\$ 3,284,148</u>	<u>\$ 26,275,741</u>

Note 12. New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued the following statements:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, will be effective for the Village beginning with its year ended April 30, 2016. This statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI).

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. This statement is to improve accounting and financial reporting by addressing an issue in Statement No. 68, *Accounting and Financial Reporting for Pensions*, concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employers and non-employer contributing entities. The provisions of this Statement should be applied simultaneously with the provisions of GASB Statement No. 68 (FY16).

GASB Statement No. 72, *Fair Value Measurement and Application*, will be effective for the Village beginning with its year ended April 30, 2017. This statement 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.

Note 12. New Accounting Pronouncements (Continued)

GASB Statement No. 73, *Accounting and Financial Reporting for Pension and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Nos. 67 and 68*, will be effective for the Village beginning with its year ended April 30, 2017, except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of GASB Statement No. 68, which are effective for the Village beginning with its year ended April 30, 2018. This statement will establish requirements for those pension and pension plans that are not administered through a trust meeting specified criteria.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, will be effective for the Village beginning with its year ended April 30, 2018. This statement will establish rules on reporting OPEB plans administered as trusts that provide benefits on behalf of governmental entities.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective for the Village beginning with its year ended April 30, 2019. This statement outlines reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, will be effective for the Village beginning with its year ended April 30, 2017. This statement establishes the hierarchy of generally accepted accounting principles (GAAP) for state and local governments and the framework for selecting those principles.

GASB Statement No. 77, *Tax Abatement Disclosures*, will be effective for the Village beginning with its year ended April 30, 2017. This statement will improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present.

GASB Statement No's. 68, 71, 72, 75, 76 and 77 will have a material impact on the Village's financial statements. Management has not yet completed its evaluation of the impact of the provisions of the remaining standards on its financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

Village of Algonquin, Illinois

Required Supplementary Information
 Schedule of Revenues, Expenditures, and Changes in Fund Balance –
 Budget and Actual – General Fund - Operating Account - Budgetary Basis
 Year Ended April 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Charges for services	\$ 321,200	\$ 321,200	\$ 245,889	\$ (75,311)
Licenses and permits	486,000	491,000	589,957	98,957
Intergovernmental, grants and contributions	229,600	244,600	426,518	181,918
Fines, fees and forfeitures	779,500	779,500	687,897	(91,603)
Property taxes	5,867,000	5,867,000	5,844,048	(22,952)
Other taxes	11,648,100	11,648,100	11,833,141	185,041
Investment income	72,000	72,000	46,265	(25,735)
Miscellaneous	28,600	110,600	174,793	64,193
Total revenues	19,432,000	19,534,000	19,848,508	314,508
Expenditures				
Current				
General government	4,458,400	4,564,400	4,022,427	541,973
Public safety	9,337,500	9,419,500	9,114,836	304,664
Public works	4,607,390	4,762,720	4,479,514	283,206
Debt service				
Capital lease principal	19,757	19,757	19,757	-
Interest and fiscal charges	4,243	4,243	4,967	(724)
Capital outlay	446,965	697,235	515,696	181,539
Total expenditures	18,874,255	19,467,855	18,157,197	1,310,658
Excess of revenues over expenditures	557,745	66,145	1,691,311	1,625,166
Other financing sources (uses)				
Transfers in	45,000	45,000	45,000	-
Transfers out	(698,745)	(698,745)	(711,756)	(13,011)
Total other financing sources (uses)	(653,745)	(653,745)	(666,756)	(13,011)
Net change in fund balance	\$ (96,000)	\$ (587,600)	1,024,555	\$ 1,612,155
Fund balance - beginning			13,366,170	
GAAP adjustment - addition of other general non-operating accounts			1,450,460	
Fund balance - ending			\$ 15,841,185	

See Note to Required Supplementary Information.

Village of Algonquin, Illinois

**Pension Benefits
Required Supplementary Information - GASB Statement No. 27
Analysis of Funding Progress**

April 30, 2015

Illinois Municipal Retirement Fund

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)-(1) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll	UAAL as a Percentage of Covered Payroll ((2-1)/3)
12/31/2014	\$ 13,810,090	\$ 17,850,094	\$ 4,040,004	77.37 %	\$ 6,829,123	59.16 %
12/31/2013	12,350,381	16,141,660	3,791,279	76.51	6,661,875	56.91
12/31/2012	11,985,535	15,306,392	3,320,857	78.30	6,365,570	52.17

On a market value basis, the actuarial value of assets as of December 31, 2014 is \$15,706,235. On a market basis, the funded ratio would be 87.99%.

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

Police Pension Fund

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)-(1) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll	UAAL as a Percentage of Covered Payroll ((2-1)/3)
05/01/2015	\$ 21,605,686	\$ 39,007,690	\$ 17,402,004	55.39 %	\$ 4,151,265	419.20 %
05/01/2014	19,452,870	33,225,843	13,772,973	58.55	4,193,768	328.42
05/01/2013	17,104,596	30,564,469	13,459,873	55.96	4,221,895	318.81
05/01/2012	14,724,128	26,531,795	11,807,667	55.50	4,145,760	284.81
05/01/2011	12,957,159	24,194,380	11,237,221	53.55	4,008,376	280.34
05/01/2010	10,875,019	21,820,186	10,945,167	49.84	3,865,273	283.17

Village of Algonquin, Illinois

Required Supplementary Information - GASB Statement No. 27
Employer Contributions

April 30, 2015

Police Pension Fund

Fiscal Year End Date	Annual Required Contribution	Percentage Contributed	
04/30/2015	\$ 1,178,898	100	%
04/30/2014	1,020,427	100	
04/30/2013	987,225	99	
04/30/2012	933,392	100	
04/30/2011	916,506	100	
04/30/2010	768,620	100	

Village of Algonquin, Illinois

Other Post-Employment Benefits
 Required Supplementary Information - GASB Statement No. 45

Year Ended April 30, 2015

Analysis of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percentage of Annual Covered Payroll ((b - a) / c)
5/01/2013	\$ -	\$ 1,007,548	\$ 1,007,548	\$ -	\$ 10,816,821	9.31 %
4/30/2011	-	979,390	979,390	-	10,302,008	9.51
4/30/2008	-	1,102,147	1,102,147	-	10,032,140	10.99

Employer Contributions

Fiscal Year Ending	Annual Required Contribution	Percentage Contributed
4/30/2015	\$ 103,966	15.0 %
4/30/2014	103,966	14.2
4/30/2013	56,407	24.8
4/30/2012	56,407	23.1
4/30/2011	48,919	52.0
4/30/2010	47,937	19.3

Village of Algonquin Illinois

Required Supplementary Information - Police Pension Plan - GASB Statement No. 67
 Schedule of Changes in Net Pension Liability, Total Pension Liability and Related
 Ratios and Investment Returns

Fiscal year ending April 30,	2015
Total pension liability	
Service cost	\$ 806,170
Interest on the total pension liability	2,306,932
Changes in benefit terms	-
Differences between expected and actual experience	481,935
Changes in assumptions	2,726,115
Benefit payments	<u>(539,305)</u>
Net change in total pension liability	5,781,847
Total pension liability—beginning	<u>33,225,843</u>
Total pension liability—ending (a)	<u><u>\$ 39,007,690</u></u>
Plan fiduciary net position	
Contributions - Employer	\$ 1,179,000
Contributions - Member	415,618
Pension plan net investment income	1,125,257
Benefit payments	(539,306)
Pension plan administrative expense	<u>(27,754)</u>
Net change in plan fiduciary net position	2,152,815
Plan fiduciary net position—beginning	<u>19,452,870</u>
Plan fiduciary net position—ending (b)	<u><u>\$ 21,605,685</u></u>
Net pension liability - ending (a) - (b)	\$ 17,402,005
Plan fiduciary net position as a percentage of the total pension liability	55.39%
Covered-Employee Payroll	\$ 4,151,265
Employer net pension liability as a percentage of covered-employee payroll	419.20%
Annual money-weighted rate of return, net of investment expense	5.77%

The Village implemented GASB 67 in FY 2015.

Village of Algonquin, Illinois

Required Supplementary Information - GASB Statement No. 67
Schedule of Contributions
Police Pension Plan

	2015	2014	2013	2012
Actuarially determined contribution	\$ 1,178,898	\$ 1,010,427	\$ 987,225	\$ 933,392
Contributions in relation to the actuarial determined contribution	<u>1,179,000</u>	<u>1,025,000</u>	<u>978,923</u>	<u>937,750</u>
Contribution deficiency (excess)	<u>\$ (102)</u>	<u>\$ (14,573)</u>	<u>\$ 8,302</u>	<u>\$ (4,358)</u>
Covered-employee payroll	\$ 4,151,265	\$ 4,193,768	\$ 4,221,895	\$ 4,145,760
Contributions as a percentage of covered-employee payroll	28.40%	24.44%	23.19%	22.62%

2011	2010	2009	2008	2007	2006
\$ 916,506	\$ 768,620	\$ 676,838	\$ 444,960	\$ 489,474	\$ 489,474
916,349	767,532	677,063	445,268	490,085	420,788
\$ 157	\$ 1,088	\$ (225)	\$ (308)	\$ (611)	\$ 68,686
\$ 4,008,376	\$ 3,865,273	\$ 3,799,289	\$ 3,529,291	\$ 3,213,288	\$ 3,029,643
22.86%	19.86%	17.82%	12.62%	15.25%	13.89%

Village of Algonquin, Illinois

Required Supplementary Information (Unaudited)
Notes to Required Supplementary Information

April 30, 2015

Note 1. Budgetary Basis of Accounting

The General Fund Operating Account budget is adopted on a basis consistent with generally accepted accounting principles. For the non-operating general accounts, the budgets are included in the supplementary section.

Note 2. Other Post-Employment Benefits

The Village adopted the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pension*, during FY2009. The most recent actuarial valuation was as of May 1, 2013 for fiscal year ending April 30, 2014.

Note 3. Pension Contributions

The Schedule of Contributions shows the difference between the actual contributions and the actuarially determined contributions (ADC). The actuarial valuation and assumptions utilized to measure the ADC differ from those disclosed within Note 9 of the Financial Statements and reflects the Village's informal funding policy, which results in a contribution greater than the State's statutory minimum contribution. The following methods and assumptions were utilized to measure the ADC for each applicable pension plan.

Methods and Assumptions

Valuation Date	May 1, 2013
Actuarial cost method	Entry Age Normal
Actuarial Value of Assets	5 Year Smoothed Market Value
Amortization method	Level Percentage of Payroll Closed
Remaining Amortization Period	27 Years
Investment rate of return	7.00%
Salary scale	5.50%
Inflation Rate Included	3.00%
Mortality Table	RP-2000 Mortality Table (BCA, +1M, -4F, 2x>105), adjusted for future mortality improvement using 1-year setback after 15 years.

SUPPLEMENTAL INFORMATION

**COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS
AND SCHEDULES, BUDGETARY SCHEDULES AND
LONG-TERM DEBT REQUIREMENTS**

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund. The Village's general fund consists of three accounts:

- The Operating Account, which is used to account for the services which are administered by the Village. These services include general government, public safety and public works.
- The Public Swimming Pool Account, which accounts for the operations of the municipal swimming pool. Revenue from seasonal permits and duty fees, as well as a transfer from the Operating Account, provide for the operation and maintenance of the municipal pool.
- The Special Revenue Account, which accounts for:
 - The use of grant monies earmarked for special projects for which financing is provided by grants.
 - The maintenance (including snow removal) of cul de sacs with the Village. Financing is provided by developer impact fees.
 - Development/construction costs for building and enhancing the "tourism related" facilities (a hotel, banquet facility and restaurant). Financing is provided by hotel/motel taxes.
 - Revenue from developer impact fees that the Village transfers to local school districts.

Village of Algonquin, Illinois

General Fund, by Account
Combining Balance Sheet
April 30, 2015

	Operating	Public Swimming Pool	Special Revenue	Total
Assets				
Cash and cash equivalents	\$ 5,825,551	\$ 7,587	\$ 1,121,705	\$ 6,954,843
Investments	5,961,907	-	393,627	6,355,534
Receivables				
Property taxes	5,481,058	-	-	5,481,058
Other taxes	3,129,963	-	3,774	3,133,737
Intergovernmental	53,204	-	-	53,204
Accrued interest	21,108	-	-	21,108
Other	303,597	-	-	303,597
Due from other funds	279,467	-	-	279,467
Prepaid items	85,283	926	-	86,209
Total assets	\$ 21,141,138	\$ 8,513	\$ 1,519,106	\$ 22,668,757
Liabilities				
Accounts payable	\$ 500,645	\$ 461	\$ -	\$ 501,106
Unearned revenue	107,942	7,494	69,204	184,640
Other liabilities	22,814	-	-	22,814
Total liabilities	631,401	7,955	69,204	708,560
Deferred Inflows of Resources				
Fiscal year 2016 property tax levy	5,481,057	-	-	5,481,057
Unavailable revenues	637,955	-	-	637,955
Total deferred inflows of resources	6,119,012	-	-	6,119,012
Fund Balances				
Nonspendable	85,283	926	-	86,209
Restricted	-	-	578,255	578,255
Unassigned	14,305,442	(368)	871,647	15,176,721
Total fund balances	14,390,725	558	1,449,902	15,841,185
Total liabilities, deferred inflows of resources and fund balances	\$ 21,141,138	\$ 8,513	\$ 1,519,106	\$ 22,668,757

Village of Algonquin, Illinois

General Fund, by Account
 Combining Schedule of Revenues, Expenditures
 and Changes in Fund Balances
 Year Ended April 30, 2015

	Operating	Public Swimming Pool	Special Revenue	Eliminations	Total
Revenues					
Charges for services	\$ 245,889	\$ 85,602	\$ -	\$ -	\$ 331,491
Licenses and permits	589,957	-	-	-	589,957
Intergovernmental, grants and contributions	426,518	-	116,184	-	542,702
Fines, fees and forfeitures	687,897	-	-	-	687,897
Property taxes	5,844,048	-	-	-	5,844,048
Other taxes	11,833,141	-	46,416	-	11,879,557
Investment income (loss)	46,265	-	2,425	-	48,690
Miscellaneous	174,793	22,977	-	-	197,770
Total revenues	19,848,508	108,579	165,025	-	20,122,112
Expenditures					
Current					
General government	4,022,427	225,553	11,477	-	4,259,457
Public safety	9,114,836	-	-	-	9,114,836
Public works	4,479,514	-	32,950	-	4,512,464
Debt service					
Capital lease principal	19,757	-	-	-	19,757
Interest fees and fiscal charges	4,967	-	-	-	4,967
Capital outlay	515,696	-	-	-	515,696
Total expenditures	18,157,197	225,553	44,427	-	18,427,177
Excess (deficiency) of revenues over expenditures	1,691,311	(116,974)	120,598	-	1,694,935
Other financing sources (uses)					
Transfers in	45,000	115,609	-	(160,609)	-
Transfers out	(711,756)	-	(45,000)	160,609	(596,147)
Total other financing sources (uses)	(666,756)	115,609	(45,000)	-	(596,147)
Net change in fund balances	1,024,555	(1,365)	75,598	-	1,098,788
Fund balances - beginning	13,366,170	1,923	1,374,304	-	14,742,397
Fund balances - ending	\$ 14,390,725	\$ 558	\$ 1,449,902	\$ -	\$ 15,841,185

Village of Algonquin, Illinois

General Fund - Operating Account

Schedule of Revenues - Budget and Actual
Year Ended April 30, 2015

	Original Budget	Final Budget	Actual
Charges for services			
Building and zoning	\$ 5,000	\$ 5,000	\$ 7,055
Platting fees	2,000	2,000	9,680
Police training reimbursement	500	500	2,639
Park usage fees	15,000	15,000	4,746
Recreation programs	213,000	213,000	95,048
Site development fee	1,000	1,000	1,100
Public art impact fee	700	700	1,898
Rental income	83,000	83,000	123,249
Historical commission	500	500	225
Subdivision signs	500	500	249
Total charges for services	<u>321,200</u>	<u>321,200</u>	<u>245,889</u>
Licenses and permits			
Liquor licenses	113,000	113,000	119,079
Building permits	350,000	355,000	420,518
Miscellaneous licenses	23,000	23,000	50,360
Total licenses and permits	<u>486,000</u>	<u>491,000</u>	<u>589,957</u>
Intergovernmental, grants and contributions			
Intergovernmental agreements	110,100	110,100	111,412
Grants - operating, public safety, general	-	-	26,104
Contributions	119,500	134,500	289,002
Total intergovernmental, grants and contributions	<u>229,600</u>	<u>244,600</u>	<u>426,518</u>
Fines, fees and forfeitures			
County court and drug fines	258,800	258,800	214,729
County prosecution fines	15,000	15,000	18,991
Police fines	10,000	10,000	14,750
Restitution - Court Cases	4,000	4,000	2,585
Police accident reports	4,000	4,000	5,032
Reports, maps and ordinances	1,200	1,200	631
Building permit fines	7,500	7,500	29,673

(Continued)

Village of Algonquin, Illinois

General Fund - Operating Account

Schedule of Revenues - Budget and Actual (Continued)

Year Ended April 30, 2015

	Original Budget	Final Budget	Actual
Fines, fees and forfeitures (Continued)			
Towing and storage	\$ 42,000	\$ 42,000	\$ 34,734
Traffic light enforcement	360,000	360,000	262,612
Municipal fines	75,000	75,000	102,676
Maintenance fee	2,000	2,000	1,404
Administrative fees	-	-	80
Total fines, fees and forfeitures	<u>779,500</u>	<u>779,500</u>	<u>687,897</u>
Property taxes			
General	1,033,000	1,033,000	1,027,419
Road and bridge	386,000	386,000	392,653
Social security	630,000	630,000	626,598
Insurance	500,000	500,000	497,300
IMRF	420,000	420,000	417,731
School crossing	19,000	19,000	18,896
Police protection	1,695,000	1,695,000	1,685,844
ESDA	5,000	5,000	4,972
Police pension	1,179,000	1,179,000	1,172,635
Total property taxes	<u>5,867,000</u>	<u>5,867,000</u>	<u>5,844,048</u>
Other taxes			
Personal property replacement tax	58,100	58,100	61,812
Cable TV fees	480,000	480,000	511,686
Telecommunication tax	165,000	165,000	147,411
State income tax	3,675,000	3,675,000	3,688,590
Sales tax	7,270,000	7,270,000	7,423,642
Total other taxes	<u>11,648,100</u>	<u>11,648,100</u>	<u>11,833,141</u>
Investment income (expense)			
Net appreciation (depreciation) in fair value of investments	-	-	(78,743)
Interest income	72,000	72,000	125,008
Total investment income (expense)	<u>72,000</u>	<u>72,000</u>	<u>46,265</u>
Miscellaneous			
Other	28,600	110,600	174,793
Total revenues	<u>\$ 19,432,000</u>	<u>\$ 19,534,000</u>	<u>\$ 19,848,508</u>

Village of Algonquin, Illinois

General Fund - Operating Account

Schedule of Expenditures - Budget and Actual
Year Ended April 30, 2015

	Original Budget	Final Budget	Actual
Current			
General government			
Administration			
Personnel	\$ 1,556,000	\$ 1,571,000	\$ 1,516,826
Commodities	212,225	218,875	199,813
Contractual services	956,990	1,048,825	938,283
Other charges	309,885	277,400	121,181
Total administration	<u>3,035,100</u>	<u>3,116,100</u>	<u>2,776,103</u>
Community development			
Personnel	1,206,500	1,206,500	1,182,233
Commodities	31,340	46,340	38,587
Contractual services	118,250	130,250	26,120
Other charges	67,210	65,210	(616)
Total community development	<u>1,423,300</u>	<u>1,448,300</u>	<u>1,246,324</u>
Total general government	<u>4,458,400</u>	<u>4,564,400</u>	<u>4,022,427</u>
Public safety			
Police department			
Personnel	6,589,700	6,492,700	6,252,230
Commodities	239,490	294,490	277,379
Contractual services	1,238,860	1,359,860	1,319,209
Other charges	1,269,450	1,272,450	1,266,018
Total public safety	<u>9,337,500</u>	<u>9,419,500</u>	<u>9,114,836</u>
Public works			
Public works administration			
Personnel	544,400	544,400	539,665
Commodities	11,500	10,300	6,812
Contractual services	69,030	69,030	63,363
Other charges	9,900	11,100	9,857
Total public works administration	<u>634,830</u>	<u>634,830</u>	<u>619,697</u>

(Continued)

Village of Algonquin, Illinois

General Fund - Operating Account

Schedule of Expenditures - Budget and Actual (Continued)
Year Ended April 30, 2015

	Original Budget	Final Budget	Actual
Public works (Continued)			
Streets department			
Personnel	\$ 1,305,250	\$ 1,334,360	\$ 1,258,891
Commodities	142,610	149,440	146,501
Contractual services	859,685	977,875	916,671
Other charges	11,950	13,150	10,146
Total streets	<u>2,319,495</u>	<u>2,474,825</u>	<u>2,332,209</u>
Parks			
Personnel	1,175,400	1,175,400	1,139,909
Commodities	92,800	90,300	64,069
Contractual services	370,835	372,135	309,102
Other charges	14,030	15,230	14,528
Total parks	<u>1,653,065</u>	<u>1,653,065</u>	<u>1,527,608</u>
Total public works	<u>4,607,390</u>	<u>4,762,720</u>	<u>4,479,514</u>
Debt service			
Capital lease principal	19,757	19,757	19,757
Interest and fiscal charges	4,243	4,243	4,967
Total debt service	<u>24,000</u>	<u>24,000</u>	<u>24,724</u>
Capital outlay			
General Government	120,400	120,400	95,622
Public works	326,565	416,835	392,761
Non-departmental	-	160,000	27,313
Total capital outlay	<u>446,965</u>	<u>697,235</u>	<u>515,696</u>
Total expenditures	<u>\$ 18,874,255</u>	<u>\$ 19,467,855</u>	<u>\$ 18,157,197</u>

Village of Algonquin, Illinois

General Fund - Public Swimming Pool Account

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2015

	Original Budget	Final Budget	Actual
Revenues			
Charges for services			
Swimming pool fees	\$ 38,500	\$ 38,500	\$ 32,095
Swimming daily fees	24,100	24,100	25,694
Swimming lessons	27,000	27,000	20,449
Concessions	8,000	8,000	7,364
Interest	5	5	-
Miscellaneous	23,500	23,500	22,977
Total revenues	<u>121,105</u>	<u>121,105</u>	<u>108,579</u>
Expenditures			
Current			
General government			
Personnel	85,720	85,720	78,735
Commodities	12,150	12,150	8,509
Contractual services	108,130	108,130	136,225
Other	3,850	3,850	2,084
Total expenditures	<u>209,850</u>	<u>209,850</u>	<u>225,553</u>
Deficiency of revenues over expenditures	(88,745)	(88,745)	(116,974)
Other financing sources			
Transfers in	88,745	88,745	115,609
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(1,365)
Fund balance - beginning			<u>1,923</u>
Fund balance - ending			<u>\$ 558</u>

Village of Algonquin, Illinois

General Fund - Public Swimming Pool Account

Schedule of Expenditures - Budget and Actual
Year Ended April 30, 2015

	Original Budget	Final Budget	Actual
Expenditures			
Current			
General government			
Personnel			
Salary of pool employees	\$ 79,000	\$ 79,000	\$ 72,768
FICA	6,050	6,050	5,567
SUI	670	670	400
	<u>85,720</u>	<u>85,720</u>	<u>78,735</u>
Commodities			
Office supplies	1,050	1,050	823
Concessions	6,500	6,500	3,646
Small tools and equipment	4,600	4,600	4,040
	<u>12,150</u>	<u>12,150</u>	<u>8,509</u>
Contractual services			
Telephone	30	30	176
Gas-heat	3,200	3,200	3,399
Electricity	5,000	5,000	5,068
Water	4,000	4,000	3,349
Professional services	3,400	3,400	1,584
Maintenance	86,000	86,000	117,078
Insurance	6,500	6,500	5,571
	<u>108,130</u>	<u>108,130</u>	<u>136,225</u>
Other			
Travel/training/dues	950	950	415
Recreation programs	1,300	1,300	190
Uniforms and safety items	1,600	1,600	1,479
	<u>3,850</u>	<u>3,850</u>	<u>2,084</u>
Total expenditures	<u>\$ 209,850</u>	<u>\$ 209,850</u>	<u>\$ 225,553</u>

Village of Algonquin, Illinois

General Fund - Special Revenue Account

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2015

	Original Budget	Final Budget	Actual
Revenues			
Contributions	\$ 80,000	\$ 80,000	\$ 116,184
Other taxes			
Hotel tax	50,000	50,000	46,416
Interest	5,200	5,200	2,425
Total revenues	<u>135,200</u>	<u>135,200</u>	<u>165,025</u>
Expenditures			
Current			
General government			
Regional marketing	13,000	13,000	11,477
Contractual services - impact fees	80,000	80,000	-
Public works			
Contractual services - snow removal	20,000	50,000	32,950
Total expenditures	<u>113,000</u>	<u>143,000</u>	<u>44,427</u>
Excess (deficiency) of revenues over expenditures	22,200	(7,800)	120,598
Other financing uses			
Transfers out	(45,000)	(45,000)	(45,000)
Net change in fund balance	<u>\$ (22,800)</u>	<u>\$ (52,800)</u>	75,598
Fund balance - beginning			<u>1,374,304</u>
Fund balance - ending			<u>\$ 1,449,902</u>

MAJOR CAPITAL PROJECTS FUND

Street Improvement Fund – to account for the construction, improvement and maintenance of Village streets. Financing is provided by developer contributions, utility tax receipts, telecommunications tax receipts and transfers from other funds.

Village of Algonquin, Illinois

Capital Projects Fund - Street Improvement Fund

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2015**

	Original Budget	Final Budget	Actual
Revenues			
Contributions	\$ -	\$ -	\$ 676,295
Other taxes			
Home rule sales tax	3,850,000	3,850,000	4,007,439
Utility taxes	950,000	950,000	951,723
Telecommunication taxes	460,000	460,000	398,555
Investment income	15,000	15,000	11,270
Total revenues	<u>5,275,000</u>	<u>5,275,000</u>	<u>6,045,282</u>
Expenditures			
Public works			
Contractual services			
Legal services	9,000	9,000	9,255
Engineering services	868,000	1,045,000	775,271
Infrastructure maintenance	2,343,000	1,833,000	1,790,162
Capital outlay			
Capital improvements	4,935,000	5,298,000	2,406,763
Total expenditures	<u>8,155,000</u>	<u>8,185,000</u>	<u>4,981,451</u>
Net change in fund balance	<u>\$ (2,880,000)</u>	<u>\$ (2,910,000)</u>	1,063,831
Fund balance - beginning			<u>6,086,577</u>
Fund balance - ending			<u>\$ 7,150,408</u>

NONMAJOR GOVERNMENTAL FUNDS – COMBINING STATEMENTS

Village of Algonquin, Illinois

Nonmajor Governmental Funds
Combining Balance Sheet
April 30, 2015

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 2,561,086	\$ 214	\$ 136,638	\$ 2,697,938
Investments	114,476	611,841	10,409	736,726
Receivables				
Property taxes	18,564	-	-	18,564
Other taxes	12,094	-	-	12,094
Intergovernmental	318,544	-	-	318,544
Prepaid items	166	-	-	166
Total assets	<u>\$ 3,024,930</u>	<u>\$ 612,055</u>	<u>\$ 147,047</u>	<u>\$ 3,784,032</u>
Liabilities				
Accounts payable	\$ 16,853	\$ -	\$ -	\$ 16,853
Due to other funds	279,467	-	-	279,467
Total liabilities	<u>296,320</u>	<u>-</u>	<u>-</u>	<u>296,320</u>
Deferred Inflows of Resources				
Fiscal year 2016 property tax levy	18,564	-	-	18,564
Unavailable revenues	185,000	-	-	185,000
Total deferred inflows of resources	<u>203,564</u>	<u>-</u>	<u>-</u>	<u>203,564</u>
Fund Balances				
Nonspendable	166	-	-	166
Restricted	2,476,984	-	-	2,476,984
Assigned	327,363	612,055	147,047	1,086,465
Unassigned	(279,467)	-	-	(279,467)
Total fund balances	<u>2,525,046</u>	<u>612,055</u>	<u>147,047</u>	<u>3,284,148</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,024,930</u>	<u>\$ 612,055</u>	<u>\$ 147,047</u>	<u>\$ 3,784,032</u>

Village of Algonquin, Illinois

**Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Year Ended April 30, 2015**

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Revenues				
Charges for services	\$ 11,625	\$ -	\$ -	\$ 11,625
Intergovernmental, grants and contributions	1,108,414	-	109,529	1,217,943
Other taxes	60,122	-	-	60,122
Investment income	1,054	3,266	4,900	9,220
Miscellaneous	20,763	-	-	20,763
Total revenues	1,201,978	3,266	114,429	1,319,673
Expenditures				
Current				
General government	176,170	-	-	176,170
Public works	973,077	-	-	973,077
Debt service				
Principal	-	670,000	-	670,000
Interest and fiscal charges	-	84,538	-	84,538
Capital outlay	131,044	-	-	131,044
Total expenditures	1,280,291	754,538	-	2,034,829
Excess (deficiency) of revenues over expenditures	(78,313)	(751,272)	114,429	(715,156)
Other financing sources (uses)				
Transfers in	-	596,147	-	596,147
Net change in fund balances	(78,313)	(155,125)	114,429	(119,009)
Fund balances - beginning	2,603,359	767,180	32,618	3,403,157
Fund balances - ending	\$ 2,525,046	\$ 612,055	\$ 147,047	\$ 3,284,148

NONMAJOR SPECIAL REVENUE FUNDS

Motor Fuel Tax Fund – to account for maintenance and various street improvements in the Village. Financing is provided by the Village's share of Motor Fuel Tax allotments. State statutes require those allotments to be used to maintain streets.

Parks Fund - to account for the acquisition of new park sites. Financing is provided by developer contributions. In addition, monies have been allocated in this fund for design and development of existing parks throughout the Village.

Cemetery Fund - to account for the operations of the Village owned cemetery. Financing is provided by fees and transfers from the General Fund.

Downtown TIF District Fund – to account for activities associated with improvements within established downtown Tax Increment Financing District.

Village of Algonquin, Illinois

Nonmajor Special Revenue Funds

**Combining Balance Sheet
April 30, 2015**

	Motor Fuel Tax	Parks	Cemetery	Downtown TIF District Fund	Totals
Assets					
Cash and cash equivalents	\$ 2,059,645	\$ 317,428	\$ 184,013	\$ -	\$ 2,561,086
Investments	-	-	114,476	-	114,476
Receivables					
Property taxes	-	-	-	18,564	18,564
Other taxes	-	12,094	-	-	12,094
Intergovernmental	133,544	185,000	-	-	318,544
Prepaid items	-	-	166	-	166
Total assets	<u>\$ 2,193,189</u>	<u>\$ 514,522</u>	<u>\$ 298,655</u>	<u>\$ 18,564</u>	<u>\$ 3,024,930</u>
Liabilities					
Accounts payable	\$ 14,094	\$ 2,159	\$ 600	\$ -	\$ 16,853
Due to other funds	-	-	-	279,467	279,467
Total liabilities	<u>14,094</u>	<u>2,159</u>	<u>600</u>	<u>279,467</u>	<u>296,320</u>
Deferred Inflows of Resources					
Fiscal year 2016 property tax levy	-	-	-	18,564	18,564
Unavailable revenues	-	185,000	-	-	185,000
Total deferred inflows of resources	<u>-</u>	<u>185,000</u>	<u>-</u>	<u>18,564</u>	<u>203,564</u>
Fund Balances					
Nonspendable	-	-	166	-	166
Restricted	2,179,095	-	297,889	-	2,476,984
Assigned	-	327,363	-	-	327,363
Unassigned	-	-	-	(279,467)	(279,467)
Total fund balances	<u>2,179,095</u>	<u>327,363</u>	<u>298,055</u>	<u>(279,467)</u>	<u>2,525,046</u>
Total liabilities and fund balances	<u>\$ 2,193,189</u>	<u>\$ 514,522</u>	<u>\$ 298,655</u>	<u>\$ 18,564</u>	<u>\$ 3,024,930</u>

Village of Algonquin, Illinois

Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Year Ended April 30, 2015

	Motor Fuel Tax	Parks	Cemetery	Downtown TIF District Fund	Totals
Revenues					
Charges for services	\$ -	\$ -	\$ 11,625	\$ -	\$ 11,625
Intergovernmental, grants and contributions	1,102,602	5,812	-	-	1,108,414
Other taxes	-	60,122	-	-	60,122
Interest	329	80	645	-	1,054
Miscellaneous	-	-	20,763	-	20,763
Total revenues	1,102,931	66,014	33,033	-	1,201,978
Expenditures					
Current					
General government	-	-	27,747	148,423	176,170
Public works	940,526	32,551	-	-	973,077
Capital outlay	-	-	-	131,044	131,044
Total expenditures	940,526	32,551	27,747	279,467	1,280,291
Net change in fund balances	162,405	33,463	5,286	(279,467)	(78,313)
Fund balances - beginning	2,016,690	293,900	292,769	-	2,603,359
Fund balances - ending	\$ 2,179,095	\$ 327,363	\$ 298,055	\$ (279,467)	\$ 2,525,046

Village of Algonquin, Illinois

Motor Fuel Tax Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2015

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental			
Motor fuel tax allotments	\$ 880,000	\$ 880,000	\$ 1,102,602
Interest	200	200	329
Total revenues	<u>880,200</u>	<u>880,200</u>	<u>1,102,931</u>
Expenditures			
Current			
Public works			
Materials	398,500	698,500	582,768
Engineering services	184,000	236,000	146,519
Maintenance	1,465,000	1,113,000	211,239
Total expenditures	<u>2,047,500</u>	<u>2,047,500</u>	<u>940,526</u>
Net change in fund balance	<u>\$ (1,167,300)</u>	<u>\$ (1,167,300)</u>	162,405
Fund balance - beginning			<u>2,016,690</u>
Fund balance - ending			<u>\$ 2,179,095</u>

Village of Algonquin, Illinois

Parks Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2015

	Original Budget	Final Budget	Actual
Revenues			
Contributions	\$ -	\$ -	\$ 5,812
Other taxes	25,000	25,000	60,122
Interest	100	100	80
Total revenues	<u>25,100</u>	<u>25,100</u>	<u>66,014</u>
Expenditures			
Current			
Public works			
Contractual services			
Wetland mitigation	16,500	16,500	7,617
Ecosystem maintenance	34,000	34,000	21,608
Engineering fees	20,000	20,000	3,326
Capital outlay			
Capital improvements	112,000	112,000	-
Total expenditures	<u>182,500</u>	<u>182,500</u>	<u>32,551</u>
Net change in fund balance	<u>\$ (157,400)</u>	<u>\$ (157,400)</u>	33,463
Fund balance - beginning			<u>293,900</u>
Fund balance - ending			<u>\$ 327,363</u>

Village of Algonquin, Illinois

Cemetery Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2015

	Original Budget	Final Budget	Actual
Revenues			
Charges for services			
Opening graves and closing crypts	\$ 11,000	\$ 11,000	\$ 9,225
Perpetual care	1,500	1,500	500
Sale of lots	4,000	4,000	1,900
Interest	750	750	645
Miscellaneous	20,750	20,750	20,763
Total revenues	<u>38,000</u>	<u>38,000</u>	<u>33,033</u>
Expenditures			
Current			
General government			
Commodities			
Supplies	1,650	1,650	-
Contractual services			
Professional services	24,700	24,700	20,800
Grave openings	8,000	8,000	5,900
Insurance	1,200	1,200	1,047
Total expenditures	<u>35,550</u>	<u>35,550</u>	<u>27,747</u>
Net change in fund balance	<u>\$ 2,450</u>	<u>\$ 2,450</u>	5,286
Fund balance - beginning			<u>292,769</u>
Fund balance - ending			<u>\$ 298,055</u>

NONMAJOR DEBT SERVICE FUND

Debt Service Fund – to account for the accumulation of resources for, and the payment of, general obligation debt principal, interest and related costs.

Village of Algonquin, Illinois

Nonmajor Debt Service Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2015

	Original Budget	Final Budget	Actual
Revenues			
Investment income (net)	\$ 8,000	\$ 8,000	\$ 3,266
Expenditures			
Current			
Debt service			
Principal	670,000	670,000	670,000
Interest fees and fiscal charges	88,000	88,000	84,538
Total expenditures	<u>758,000</u>	<u>758,000</u>	<u>754,538</u>
Deficiency of revenues over expenditures	(750,000)	(750,000)	(751,272)
Other financing sources (uses)			
Transfers in	<u>610,000</u>	<u>610,000</u>	<u>596,147</u>
Net change in fund balance	<u>\$ (140,000)</u>	<u>\$ (140,000)</u>	(155,125)
Fund balance - beginning			<u>767,180</u>
Fund balance - ending			<u>\$ 612,055</u>

NONMAJOR CAPITAL PROJECTS FUND

Village Expansion Fund – to account for Village expansion projects. Financing is provided from the issuance of debt and development fees.

Village of Algonquin, Illinois

Nonmajor Capital Projects Fund - Village Expansion Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2015

	Original Budget	Final Budget	Actual
Revenues			
Contributions	\$ -	\$ -	\$ 109,529
Interest	100	100	4,900
Total revenues	<u>100</u>	<u>100</u>	<u>114,429</u>
Expenditures			
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 100</u>	<u>\$ 100</u>	<u>114,429</u>
Fund balance - beginning			<u>32,618</u>
Fund balance - ending			<u>\$ 147,047</u>

MAJOR ENTERPRISE FUND

Waterworks and Sewerage Fund – to account for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

Village of Algonquin, Illinois

Waterworks and Sewerage Fund

Schedule of Net Position - by Account
April 30, 2015

	Operations and Maintenance	Improvements and Extension	Totals
Assets			
Current Assets			
Cash and cash equivalents	\$ 3,131,508	\$ 3,876,424	\$ 7,007,932
Investments	1,431,666	2,830,996	4,262,662
Receivables			
Accounts	823,291	2,301	825,592
Other	558	-	558
Prepaid items	25,950	-	25,950
Restricted assets - investments	830,426	-	830,426
Total current assets	6,243,399	6,709,721	12,953,120
Capital assets			
Cost	115,068,913	-	115,068,913
Accumulated depreciation	(55,077,991)	-	(55,077,991)
Total capital assets, net	59,990,922	-	59,990,922
Total assets	66,234,321	6,709,721	72,944,042
Deferred Outflows of Resources			
Deferred loss on refunding	163,292	-	163,292
Liabilities			
Current Liabilities			
Accounts payable	259,448	235,688	495,136
Accrued interest	17,861	-	17,861
Compensated absences payable	140,251	-	140,251
General obligation bonds payable	590,000	-	590,000
Total current liabilities	1,007,560	235,688	1,243,248
Noncurrent Liabilities			
Compensated absences payable	94,428	-	94,428
General obligation bonds payable, net	6,758,715	-	6,758,715
Total noncurrent liabilities	6,853,143	-	6,853,143
Total liabilities	7,860,703	235,688	8,096,391
Net Position			
Net investment in capital assets	52,805,499	-	52,805,499
Restricted for debt service	830,426	-	830,426
Unrestricted	4,900,985	6,474,033	11,375,018
Total net position	\$ 58,536,910	\$ 6,474,033	\$ 65,010,943

Village of Algonquin, Illinois

Waterworks and Sewerage Fund

Schedule of Revenues, Expenses and Nonoperating Revenues (Expenses)

- Budget and Actual (Budgetary Basis)

Year Ended April 30, 2015

	Original Budget	Final Budget	Actual
Operating revenues			
Charges for services			
Water and sewer revenue	\$ 6,145,000	\$ 6,145,000	\$ 5,553,629
Meter sales	5,000	5,000	24,961
Connection fees	150,000	150,000	361,772
Administration fee	78,000	78,000	75,496
Miscellaneous	110,500	110,500	63,875
Total operating revenues	<u>6,488,500</u>	<u>6,488,500</u>	<u>6,079,733</u>
Operating expenses excluding depreciation	<u>6,044,000</u>	<u>6,513,175</u>	<u>5,897,172</u>
Nonoperating revenues (expenses)			
Contributions - developers	-	-	392,858
Investment income (loss)	36,000	36,000	72,105
Principal retirement	(570,000)	(570,000)	(570,000)
Interest expense and fiscal agent fees	(234,000)	(234,000)	(220,313)
Total nonoperating revenues (expenses)	<u>(768,000)</u>	<u>(768,000)</u>	<u>(325,350)</u>

Village of Algonquin, Illinois

Waterworks and Sewerage Fund

Schedule of Operating Expenses - Budget and Actual (Budgetary Basis)
Year Ended April 30, 2015

	Original Budget	Final Budget	Actual
Water department			
Personnel			
IMRF	\$ 112,000	\$ 112,000	\$ 107,808
FICA	76,000	76,000	72,220
Unemployment tax	1,250	1,250	1,423
Health insurance	225,000	225,000	188,199
Salaries	953,400	953,400	975,733
Overtime	35,000	35,000	27,676
Commodities			
Meters	70,000	70,000	33,787
Office supplies	700	700	697
Materials	22,800	22,800	15,250
Chemicals	199,080	199,080	153,525
Postage	25,000	25,000	25,338
Small tools and equipment	22,010	22,010	17,211
Fuel	29,000	29,000	25,269
Lab supplies	10,300	10,300	10,391
Office furniture and equipment	59,085	59,085	33,432
Contractual services			
Utilities	323,100	323,100	270,055
Legal services	4,000	4,000	743
Audit services	4,490	4,490	7,121
Engineering services	9,700	9,700	3,254
Professional services	105,205	105,205	98,035
Insurance	91,000	91,000	76,316
Publications	1,100	1,100	965
Printing	1,050	3,550	3,002
Equipment rental	6,800	6,800	1,414
Equipment lease	350	350	-
Physical exams	200	200	-
Travel/training/dues	9,200	9,200	5,499
Bank processing fees	19,000	19,000	17,527
Uniforms	10,050	10,050	7,343
Maintenance			
Wells	59,500	59,500	54,571
Booster station	14,700	6,700	500
Maintenance storage facility	14,200	14,200	10,970
Treatment facility	18,500	26,500	25,101
Distribution system	50,850	50,850	29,543

(Continued)

Village of Algonquin, Illinois

Waterworks and Sewerage Fund

Schedule of Operating Expenses - Budget and Actual (Budgetary Basis) (Continued)
Year Ended April 30, 2015

	Original Budget	Final Budget	Actual
Water department (continued)			
Contractual services (continued)			
Maintenance (continued)			
Vehicle maintenance	\$ 15,000	\$ 15,000	\$ 28,099
Building maintenance	84,670	84,670	58,608
Maintenance - Other	560	560	498
Equipment maintenance	22,000	47,000	42,383
Capital outlay	90,750	88,250	488,131
Less fixed assets capitalized	(90,750)	(88,250)	(33,567)
Total water department	<u>2,705,850</u>	<u>2,733,350</u>	<u>2,884,070</u>
Sewer department			
Personnel			
IMRF	95,500	95,500	92,863
FICA	65,500	65,500	62,212
Unemployment tax	1,000	1,000	1,227
Health insurance	163,000	163,000	142,409
Salaries	822,000	822,000	834,329
Overtime	24,000	24,000	19,641
Commodities			
Meters	70,000	70,000	33,453
Office supplies	700	700	809
Materials	19,200	19,200	15,633
Chemicals	73,000	68,000	53,561
Postage	25,000	25,000	25,323
Small tools and equipment	15,150	24,150	22,603
Fuel	30,500	30,500	18,719
Lab supplies	6,900	6,900	3,414
Office furniture and equipment	61,985	61,985	26,993
Contractual services			
Utilities	442,180	442,180	328,719
Legal services	4,000	4,000	3,795
Audit services	4,490	4,490	7,121
Engineering services	4,000	9,000	8,171
Professional services	108,505	108,505	87,087

(Continued)

Village of Algonquin, Illinois

Waterworks and Sewerage Fund

Schedule of Operating Expenses - Budget and Actual (Budgetary Basis) (Continued)
Year Ended April 30, 2015

	Original Budget	Final Budget	Actual
Sewer department (continued)			
Contractual services (continued)			
Insurance	\$ 87,000	\$ 87,000	\$ 79,667
Publications	1,100	1,100	756
Printing	1,050	1,050	102
Equipment rental	1,000	1,000	199
Equipment lease	350	350	-
Physical exams	200	200	-
Sludge removal	119,125	119,125	103,659
Travel/training/dues	8,550	8,550	6,577
Bank processing fees	19,000	19,000	17,527
Uniforms	15,500	15,500	10,020
Maintenance			
Treatment facility	146,500	146,500	142,219
Lift station	89,650	89,650	66,380
Collection station	84,300	75,300	451
Vehicle maintenance	38,000	38,000	24,388
Building maintenance	94,000	94,000	65,590
Equipment maintenance	76,000	51,000	45,058
Other	815	815	747
Capital outlay	100,750	100,750	33,567
Less capitalized amounts	(100,750)	(100,750)	(33,567)
Total sewer department	<u>2,818,750</u>	<u>2,793,750</u>	<u>2,351,422</u>
Non departmental			
Contractual services			
Legal services	28,500	28,500	4,950
Engineering services	340,900	340,900	189,227
Infrastructure maintenance	150,000	616,675	466,673
Capital outlay	1,210,000	1,792,100	1,649,400
Less capitalized amounts	(1,210,000)	(1,792,100)	(1,648,570)
Total non departmental	<u>519,400</u>	<u>986,075</u>	<u>661,680</u>
Total operating expenses	<u>\$ 6,044,000</u>	<u>\$ 6,513,175</u>	<u>\$ 5,897,172</u>

INTERNAL SERVICE FUNDS

Building Service Fund – to account for the maintenance of Village buildings and land. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, financing and related billing and collection.

Vehicle Maintenance Fund – to account for the fueling, repair and maintenance of Village vehicles and equipment. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, financing and related billing and collection.

Village of Algonquin, Illinois

Combining Statement of Net Position - Internal Service Funds

April 30, 2015

	Building Service Fund	Vehicle Maintenance Fund	Total
Assets			
Current			
Receivables			
Accounts	\$ 1,046	\$ 16,304	\$ 17,350
Inventory	45,265	95,819	141,084
	<u>46,311</u>	<u>112,123</u>	<u>158,434</u>
Capital Assets			
Cost	63,648	118,000	181,648
Accumulated depreciation	(26,612)	(23,600)	(50,212)
Total capital assets, net	<u>37,036</u>	<u>94,400</u>	<u>131,436</u>
Total assets	<u>83,347</u>	<u>206,523</u>	<u>289,870</u>
Liabilities			
Current			
Accounts payable	<u>83,347</u>	<u>118,359</u>	<u>201,706</u>
Net Position			
Net investment in capital assets	37,036	94,400	131,436
Unrestricted	<u>(37,036)</u>	<u>(6,236)</u>	<u>(43,272)</u>
Total net position	<u>\$ -</u>	<u>\$ 88,164</u>	<u>\$ 88,164</u>

Village of Algonquin, Illinois

Combining Statement of Revenues, Expenses and Changes in Net Position -
Internal Service Funds
Year Ended April 30, 2015

	Building Service Fund	Vehicle Maintenance Fund	Total
Operating revenues			
Maintenance billings	\$ 737,996	\$ 1,306,897	\$ 2,044,893
Miscellaneous	1,196	8,754	9,950
Total operating revenues	<u>739,192</u>	<u>1,315,651</u>	<u>2,054,843</u>
Operating expenses	<u>733,019</u>	<u>1,303,851</u>	<u>2,036,870</u>
Operating income before depreciation	6,173	11,800	17,973
Depreciation	<u>6,173</u>	<u>11,800</u>	<u>17,973</u>
Change in net position	-	-	-
Net position - beginning	<u>-</u>	<u>88,164</u>	<u>88,164</u>
Net position - ending	<u>\$ -</u>	<u>\$ 88,164</u>	<u>\$ 88,164</u>

Village of Algonquin, Illinois

Comining Statement of Cash Flows – Internal Service Funds
Year Ended April 30, 2015

	Building Service Fund	Vehicle Maintenance Fund	Total
Cash flows from operating activities			
Cash paid to suppliers	\$ (400,720)	\$ (916,395)	\$ (1,317,115)
Cash paid to employees	(294,217)	(388,149)	(682,366)
Cash received for interfund services provided	738,146	1,304,544	2,042,690
Net cash provided by operating activities	<u>43,209</u>	<u>-</u>	<u>43,209</u>
Cash flows from capital and related financing activities			
Acquisition of capital assets	<u>(43,209)</u>	<u>-</u>	<u>(43,209)</u>
Net decrease in cash and equivalents	-	-	-
Cash and equivalents - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Cash and equivalents - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating income to net cash provided by operating activities			
Operating income	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	6,173	11,800	17,973
Changes in assets and liabilities			
Accounts receivable	(1,046)	(11,107)	(12,153)
Inventory	25,789	20,417	46,206
Accounts payable	12,293	(21,110)	(8,817)
Total adjustments	<u>43,209</u>	<u>-</u>	<u>43,209</u>
Net cash provided by operating activities	<u>\$ 43,209</u>	<u>\$ -</u>	<u>\$ 43,209</u>

Village of Algonquin, Illinois

Internal Service Fund - Building Service Fund

Schedule of Revenues, Expenses and
Changes in Net Position - Budget and Actual (Budgetary Basis)
Year Ended April 30, 2015

	Original Budget	Final Budget	Actual
Operating revenues			
Charges for services			
Maintenance billings	\$ 854,300	\$ 854,300	\$ 737,996
Miscellaneous	-	-	1,196
Total operating revenues	<u>854,300</u>	<u>854,300</u>	<u>739,192</u>
Operating expenses			
Personnel	374,700	374,700	294,217
Contractual services	8,450	9,486	5,709
Supplies and materials	148,675	147,639	126,640
Maintenance	265,100	265,100	301,794
Other charges	7,375	7,375	4,659
Capital outlay	50,000	50,000	-
Total operating expenses	<u>854,300</u>	<u>854,300</u>	<u>733,019</u>
Operating income	<u>\$ -</u>	<u>\$ -</u>	6,173
GAAP basis adjustments			
Depreciation			<u>(6,173)</u>
Change in net position			-
Net position - beginning			<u>-</u>
Net position - ending			<u>\$ -</u>

Village of Algonquin, Illinois

Internal Service Fund - Building Service Fund

Schedule of Operating Expenses - Budget and Actual
Year Ended April 30, 2015

	Original Budget	Final Budget	Actual
Operating expenses			
Personnel			
IMRF	\$ 29,900	\$ 29,900	\$ 22,816
FICA	20,200	20,200	15,297
SUI	500	500	340
Health insurance	60,500	60,500	43,177
Salaries	249,500	249,500	201,205
Overtime	14,100	14,100	11,382
	<u>374,700</u>	<u>374,700</u>	<u>294,217</u>
Contractual services			
Telephone	5,100	5,100	4,022
Natural gas	1,500	1,500	-
Professional services	200	593	444
Publications	450	450	-
Printing and advertising	400	400	-
Equipment rental	600	1,243	1,243
Physical exams	200	200	-
	<u>8,450</u>	<u>9,486</u>	<u>5,709</u>
Supplies and materials			
Office supplies	400	400	289
Postage	50	50	13
Building supplies	135,200	135,200	115,188
Tools, equipment and supplies	8,400	7,364	7,281
Fuel	3,425	3,425	2,373
Office furniture and equipment	1,200	1,200	1,496
	<u>148,675</u>	<u>147,639</u>	<u>126,640</u>
Maintenance			
Vehicle maintenance	10,000	10,000	6,631
Equipment maintenance	2,000	2,000	3,260
Outsourced building maintenance	252,350	252,350	291,466
Office equipment maintenance	750	750	437
	<u>265,100</u>	<u>265,100</u>	<u>301,794</u>

(Continued)

Village of Algonquin, Illinois

Internal Service Fund - Building Service Fund

Schedule of Operating Expenses - Budget and Actual (Continued)

Year Ended April 30, 2015

	Original Budget	Final Budget	Actual
Operating expenses (continued)			
Other charges			
Travel, training and dues	\$ 3,300	\$ 3,300	\$ 1,625
Uniforms and safety items	4,075	4,075	3,034
	<u>7,375</u>	<u>7,375</u>	<u>4,659</u>
Capital purchase	<u>50,000</u>	<u>50,000</u>	-
Total operating expenses	<u>\$ 854,300</u>	<u>\$ 854,300</u>	<u>\$ 733,019</u>

Village of Algonquin, Illinois

Internal Service Fund - Vehicle Maintenance Fund

Schedule of Revenues, Expenses and
Changes in Net Position - Budget and Actual (Budgetary Basis)
Year Ended April 30, 2015

	Original Budget	Final Budget	Actual
Operating revenues			
Charges for services			
Maintenance billings	\$ 862,800	\$ 862,800	\$ 889,666
Fire district fuel	75,300	75,300	46,256
Fuel billings	321,400	321,400	242,705
Fleet Maintenance	125,000	125,000	128,270
Miscellaneous	-	-	8,754
Total operating revenues	<u>1,384,500</u>	<u>1,384,500</u>	<u>1,315,651</u>
Operating expenses			
Personnel	456,900	456,900	388,149
Contractual services	27,600	27,750	22,593
Supplies and materials	756,425	754,175	687,812
Maintenance	133,250	133,250	196,986
Other charges	10,325	12,425	8,311
Capital outlay	-	-	-
Total operating expenses	<u>1,384,500</u>	<u>1,384,500</u>	<u>1,303,851</u>
Operating income	<u>\$ -</u>	<u>\$ -</u>	11,800
GAAP basis adjustments			
Depreciation			<u>(11,800)</u>
Change in net position			-
Net position - beginning			<u>88,164</u>
Net position - ending			<u>\$ 88,164</u>

Village of Algonquin, Illinois

Internal Service Fund - Vehicle Maintenance Fund

Schedule of Operating Expenses - Budget and Actual
Year Ended April 30, 2015

	Original Budget	Final Budget	Actual
Operating expenses			
Personnel			
IMRF	\$ 36,600	\$ 36,600	\$ 31,068
FICA	24,700	24,700	20,774
SUI	500	500	437
Health insurance	73,500	73,500	51,932
Salaries	311,600	311,600	274,099
Overtime	10,000	10,000	9,839
	<u>456,900</u>	<u>456,900</u>	<u>388,149</u>
Contractual services			
Telephone	5,625	5,625	4,145
Natural gas	1,475	1,475	1,241
Professional services	10,300	10,450	9,086
Publications	8,200	8,200	4,565
Printing and advertising	400	400	26
Equipment rental	1,400	1,400	3,530
Physical exams	200	200	-
	<u>27,600</u>	<u>27,750</u>	<u>22,593</u>
Supplies and materials			
Office supplies	400	400	273
Postage	100	100	169
Tools, equipment and supplies	10,000	7,900	7,772
Fuel	404,500	404,500	291,862
Oil, lubricants, and fluids	341,425	341,275	387,736
	<u>756,425</u>	<u>754,175</u>	<u>687,812</u>
Maintenance			
Vehicle maintenance	10,500	10,500	6,055
Equipment maintenance	5,500	5,500	2,171
Building maintenance	46,500	46,500	62,808
Outsourced vehicle and equipment maintenance	70,000	70,000	125,520
Office equipment maintenance	750	750	432
	<u>133,250</u>	<u>133,250</u>	<u>196,986</u>

(Continued)

Village of Algonquin, Illinois

Internal Service Fund - Vehicle Maintenance Fund

Schedule of Operating Expenses - Budget and Actual (Continued)
Year Ended April 30, 2015

	Original Budget	Final Budget	Actual
Operating expenses (continued)			
Other charges			
Travel, training and dues	\$ 3,300	\$ 5,400	\$ 3,679
Uniforms and safety items	7,025	7,025	4,632
	<u>10,325</u>	<u>12,425</u>	<u>8,311</u>
Total operating expenses	<u>\$ 1,384,500</u>	<u>\$ 1,384,500</u>	<u>\$ 1,303,851</u>

FIDUCIARY FUNDS

Pension Trust

Police Pension Fund – to account for the accumulation of resources to be used for retirement annuity payments at appropriate amounts and times in the future. Resources are contributed by sworn police officers at rates fixed by law and by the Village at amounts determined by an annual actuarial study.

Agency

Developer Deposits Fund – to account for refundable deposits received from developers.

Village of Algonquin, Illinois

Pension Trust Fund

Statement of Changes in Fiduciary Net Position - Police Pension Fund -
Budget and Actual
Year Ended April 30, 2015

	Original Budget	Final Budget	Actual
Additions			
Contributions			
Employer	\$ 1,179,000	\$ 1,179,000	\$ 1,179,000
Employee	444,000	444,000	415,618
	<u>1,623,000</u>	<u>1,623,000</u>	<u>1,594,618</u>
Investment income			
Net appreciation in fair value of investments	-	-	581,696
Interest income	1,303,000	1,303,000	623,058
Less investment expenses	(77,000)	(77,000)	(79,497)
	<u>1,226,000</u>	<u>1,226,000</u>	<u>1,125,257</u>
Total additions	<u>2,849,000</u>	<u>2,849,000</u>	<u>2,719,875</u>
Deductions			
Administration	30,000	30,000	27,754
Pension benefits and refunds	413,000	539,500	539,306
Total deductions	<u>443,000</u>	<u>569,500</u>	<u>567,060</u>
Change in net position	<u>\$ 2,406,000</u>	<u>\$ 2,279,500</u>	2,152,815
Net position - beginning			<u>19,452,870</u>
Net position - ending			<u>\$ 21,605,685</u>

Village of Algonquin, Illinois

Agency Fund - Developer Deposits Fund

Statement of Changes in Assets and Liabilities
Year Ended April 30, 2015

	Balance, May 1	Additions	Deductions	Balance, April 30
Assets				
Cash and cash equivalents	\$ 729,207	\$ 179,110	\$ 526,754	\$ 381,563
Liabilities				
Deposits	\$ 729,207	\$ 179,110	\$ 526,754	\$ 381,563

OTHER SUPPLEMENTARY INFORMATION

Village of Algonquin, Illinois

Long-Term Debt Requirements

General Obligation Refunding Bonds, Series 2013 Water & Sewer

April 30, 2015

Date of issue	December 3, 2013
Date of maturity	April 1, 2025
Interest rate	3.00% to 3.25%
Interest dates	October 1 and April 1
Payable at	BNY Midwest Trust Company

Principal and Interest Requirements

Fiscal Year	October 1	April 1		Total
	Interest	Principal	Interest	
2016	\$ 107,163	\$ 590,000	\$ 107,163	\$ 804,325
2017	98,313	610,000	98,313	806,625
2018	89,163	630,000	89,163	808,325
2019	79,713	665,000	79,713	824,425
2020	69,738	695,000	69,738	834,475
2021	59,313	715,000	59,313	833,625
2022	48,588	755,000	48,588	852,175
2023	37,263	770,000	37,263	844,525
2024	25,713	815,000	25,713	866,425
2025	13,488	830,000	13,488	856,975
	<u>\$ 628,450</u>	<u>\$ 7,075,000</u>	<u>\$ 628,450</u>	<u>\$ 8,331,900</u>

Village of Algonquin, Illinois

Long-Term Debt Requirements

General Obligation Refunding Bonds - Series 2014A Debt Service

April 30, 2015

Date of issue	January 21, 2014
Date of maturity	April 1, 2020
Interest rate	2.0% to 2.5%
Interest dates	October 1 and April 1
Payable at	BNY Midwest Trust Company

Principal and Interest Requirements

Fiscal Year	October 1	April 1		Total
	Interest	Principal	Interest	
2016	\$ 31,788	\$ 545,000	\$ 31,788	\$ 608,575
2017	26,338	550,000	26,338	602,675
2018	20,838	565,000	20,838	606,675
2019	15,188	600,000	15,188	630,375
2020	7,688	615,000	7,688	630,375
	<u>\$ 101,838</u>	<u>\$ 2,875,000</u>	<u>\$ 101,838</u>	<u>\$ 3,078,675</u>

Statistical Section

This part of the Village of Algonquin's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Village's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	106-114
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the Village's ability to generate its property and sales taxes.	115-120
Debt Capacity These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.	121-124
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place and to help make comparisons over time and with other governments.	125-127
Operating Information These schedules contain information about the Village's operations and resources to help the reader understand how the Village's financial information relates to the services the Village provides and the activities it performs.	128-130

Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Village of Algonquin, Illinois

**Net Position by Component
Last Ten Fiscal Years**

	Fiscal Year			
	2006	2007	2008	2009
Governmental Activities				
Net Investment in Capital Assets	\$ 183,861,002	\$ 181,289,769	\$ 185,504,246	\$ 179,027,466
Restricted	1,143,253	6,507,747	5,615,510	6,281,547
Unrestricted	10,808,910	8,448,512	6,286,051	7,633,118
Total Governmental Activities	\$ 195,813,165	\$ 196,246,028	\$ 197,405,807	\$ 192,942,131
Business-type Activities				
Net Investment in Capital Assets	\$ 62,525,345	\$ 67,709,537	\$ 74,099,851	\$ 73,436,233
Restricted	1,150,782	785,446	804,588	406,000
Unrestricted	9,517,702	6,085,709	2,254,481	4,727,611
Total Business-type Activities	\$ 73,193,829	\$ 74,580,692	\$ 77,158,920	\$ 78,569,844
Total				
Net Investment in Capital Assets	\$ 246,386,347	\$ 248,999,306	\$ 259,604,097	\$ 252,463,699
Restricted	2,294,035	7,293,193	6,420,098	6,687,547
Unrestricted	20,326,612	14,534,221	8,540,532	12,360,729
Total Primary Government	\$ 269,006,994	\$ 270,826,720	\$ 274,564,727	\$ 271,511,975

Data Source

Audited Financial Statements

2010	2011	2012	2013	2014	2015
\$ 176,607,596	\$ 175,520,012	\$ 177,068,931	\$ 181,677,850	\$ 179,276,332	\$ 181,340,289
7,376,272	7,503,441	2,266,916	1,860,785	2,309,292	3,055,239
7,055,416	8,606,808	15,271,626	17,932,292	21,967,034	24,222,228
<u>\$ 191,039,284</u>	<u>\$ 191,630,261</u>	<u>\$ 194,607,473</u>	<u>\$ 201,470,927</u>	<u>\$ 203,552,658</u>	<u>\$ 208,617,756</u>
\$ 63,883,643	\$ 60,837,070	\$ 57,848,186	\$ 55,074,145	\$ 54,136,285	\$ 52,805,499
920,000	817,000	1,523,000	872,688	866,338	830,426
5,027,550	7,274,331	8,938,628	13,150,719	13,024,609	11,375,018
<u>\$ 69,831,193</u>	<u>\$ 68,928,401</u>	<u>\$ 68,309,814</u>	<u>\$ 69,097,552</u>	<u>\$ 68,027,232</u>	<u>\$ 65,010,943</u>
\$ 240,491,239	\$ 236,357,082	\$ 234,917,117	\$ 236,751,995	\$ 233,412,617	\$ 234,145,788
8,296,272	8,320,441	3,789,916	2,733,473	3,175,630	3,885,665
12,082,966	15,881,139	24,210,254	31,083,011	34,991,643	35,597,246
<u>\$ 260,870,477</u>	<u>\$ 260,558,662</u>	<u>\$ 262,917,287</u>	<u>\$ 270,568,479</u>	<u>\$ 271,579,890</u>	<u>\$ 273,628,699</u>

Village of Algonquin, Illinois

Change in Net Position

Last Ten Fiscal Years

	Fiscal Year			
	2006	2007	2008	2009
Expenses				
Governmental Activities				
General Government	\$ 4,382,832	\$ 7,486,196	\$ 4,378,364	\$ 4,618,093
Public Safety	6,808,738	6,023,380	6,987,936	7,686,244
Public Works	7,655,372	7,567,852	9,844,829	16,991,574
Interest	428,104	440,111	378,502	408,053
Total Governmental Activities Expenses	<u>19,275,046</u>	<u>21,517,539</u>	<u>21,589,631</u>	<u>29,703,964</u>
Business-type Activities Water and Sewer	<u>6,838,648</u>	<u>7,530,363</u>	<u>7,600,797</u>	<u>8,708,844</u>
Total Business-type Activities Expenses	<u>6,838,648</u>	<u>7,530,363</u>	<u>7,600,797</u>	<u>8,708,844</u>
Total Primary Government Expenses	<u>\$ 26,113,694</u>	<u>\$ 29,047,902</u>	<u>\$ 29,190,428</u>	<u>\$ 38,412,808</u>
Program Revenues				
Governmental Activities				
Charges for Services				
General Government	\$ 1,510,482	\$ 1,523,407	\$ 1,266,281	\$ 1,416,942
Public Safety	645,748	610,043	715,082	745,832
Public Works	34,570	105,074	78,279	42,130
Operating Grants and Contributions	1,604,390	1,213,851	1,156,090	1,017,003
Capital Grants and Contributions	4,109,196	1,586,198	1,487,548	3,807,774
Total Governmental Activities Program Revenues	<u>7,904,386</u>	<u>5,038,573</u>	<u>4,703,280</u>	<u>7,029,681</u>
Business-type Activities				
Charges for Services				
Water and Sewer	7,273,018	5,665,128	5,602,144	5,624,824
Operating Grants and Contributions	3,200	1,090	54,641	34,040
Capital Grants and Contributions	179,541	-	465,381	959,913
Total Business-type Activities Program Revenues	<u>7,455,759</u>	<u>5,666,218</u>	<u>6,122,166</u>	<u>6,618,777</u>
Total Primary Government Program Revenues	<u>\$ 15,360,145</u>	<u>\$ 10,704,791</u>	<u>\$ 10,825,446</u>	<u>\$ 13,648,458</u>
Net (Expense) Revenue				
Governmental Activities	\$ (11,370,660)	\$ (16,478,966)	\$ (16,886,351)	\$ (22,674,283)
Business-type Activities	617,111	(1,864,145)	(1,478,631)	(2,090,067)
Total Primary Government Net (Expense) Revenue	<u>\$ (10,753,549)</u>	<u>\$ (18,343,111)</u>	<u>\$ (18,364,982)</u>	<u>\$ (24,764,350)</u>

2010	2011	2012	2013	2014	2015
\$ 4,511,797	\$ 4,538,951	\$ 4,742,261	\$ 4,682,238	\$ 4,538,905	\$ 5,218,534
7,924,602	8,086,707	8,267,862	8,668,334	8,842,616	9,089,370
12,154,994	8,930,380	8,872,523	8,059,774	10,521,914	11,339,697
395,572	344,884	345,353	190,092	160,780	93,117
24,986,965	21,900,922	22,227,999	21,600,438	24,064,215	25,740,718
16,311,087	8,578,470	8,551,752	8,738,058	8,487,380	9,580,289
16,311,087	8,578,470	8,551,752	8,738,058	8,487,380	9,580,289
\$ 41,298,052	\$ 30,479,392	\$ 30,779,751	\$ 30,338,496	\$ 32,551,595	\$ 35,321,007
\$ 732,201	\$ 718,779	\$ 883,440	\$ 1,470,286	\$ 886,332	\$ 821,200
1,223,423	977,767	1,003,544	1,022,031	1,062,432	932,375
21,704	14,989	26,448	52,023	27,637	7,157
971,168	1,191,828	1,278,892	1,288,203	1,218,237	1,942,714
1,579,772	368,995	1,783,794	4,130,903	1,616,727	3,851,095
4,528,268	3,272,358	4,976,118	7,963,446	4,811,365	7,554,541
5,201,422	5,450,665	5,596,381	7,858,350	6,073,440	6,079,733
37,071	54,112	112,067	-	687,145	2,681
-	-	-	-	-	390,177
5,238,493	5,504,777	5,708,448	7,858,350	6,760,585	6,472,591
\$ 9,766,761	\$ 8,777,135	\$ 10,684,566	\$ 15,821,796	\$ 11,571,950	\$ 14,027,132
\$ (20,458,697)	\$ (18,628,564)	\$ (17,251,881)	\$ (13,636,992)	\$ (19,252,850)	\$ (18,186,177)
(11,072,594)	(3,073,693)	(2,843,304)	(879,708)	(1,726,795)	(3,107,698)
\$ (31,531,291)	\$ (21,702,257)	\$ (20,095,185)	\$ (14,516,700)	\$ (20,979,645)	\$ (21,293,875)

(Continued)

Village of Algonquin, Illinois

Change in Net Position (Continued)
Last Ten Fiscal Years

	Fiscal Year			
	2006	2007	2008	2009
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes				
Property	\$ 4,266,257	\$ 4,720,450	\$ 5,168,603	\$ 5,583,456
Sales	5,573,263	6,543,069	6,510,307	6,848,007
Income and Use	2,496,391	2,771,039	3,426,760	3,067,163
Utility	1,397,896	1,739,948	1,023,062	1,014,164
Other	1,124,126	512,757	899,998	887,618
Investment Income (Loss)	325,513	615,840	601,941	342,425
Miscellaneous	35,323	8,726	415,459	467,774
Total Governmental Activities	15,218,769	16,911,829	18,046,130	18,210,607
Business-type Activities				
Sales	-	2,568,447	3,567,652	3,112,492
Investment Income (Loss)	245,981	577,561	230,995	79,999
Miscellaneous	-	105,000	258,212	308,500
Total Business-type Activities	245,981	3,251,008	4,056,859	3,500,991
Total Primary Government	\$ 15,464,750	\$ 20,162,837	\$ 22,102,989	\$ 21,711,598
Change in Net Position				
Governmental Activities	\$ 3,848,109	\$ 432,863	\$ 1,159,779	\$ (4,463,676)
Business-type Activities	863,092	1,386,863	2,578,228	1,410,924
Total Primary Government				
Change in Net Position	\$ 4,711,201	\$ 1,819,726	\$ 3,738,007	\$ (3,052,752)

Data Source

Audited Financial Statements

	2010	2011	2012	2013	2014	2015
\$	5,939,181	\$ 5,960,733	\$ 6,000,829	\$ 5,904,067	\$ 5,874,845	\$ 5,844,048
	7,550,234	8,030,266	8,630,053	9,023,020	10,129,119	11,459,955
	2,676,478	2,817,443	3,003,337	3,294,417	3,393,115	3,699,105
	947,168	1,015,552	963,634	999,135	998,361	951,723
	866,264	1,189,334	1,438,886	1,220,371	1,150,583	1,219,631
	215,056	192,446	177,276	74,537	(219,130)	69,180
	361,469	13,767	15,078	17,146	7,688	7,633
	18,555,850	19,219,541	20,229,093	20,532,693	21,334,581	23,251,275
	2,282,512	2,140,901	2,189,131	1,665,803	742,925	-
	51,431	30,000	35,586	45,222	(205,050)	72,105
	-	-	-	-	118,600	19,304
	2,333,943	2,170,901	2,224,717	1,711,025	656,475	91,409
\$	20,889,793	\$ 21,390,442	\$ 22,453,810	\$ 22,243,718	\$ 21,991,056	\$ 23,342,684
\$	(1,902,847)	\$ 590,977	\$ 2,977,212	\$ 6,895,701	\$ 2,081,731	\$ 5,065,098
	(8,738,651)	(902,792)	(618,587)	831,317	(1,070,320)	(3,016,289)
\$	(10,641,498)	\$ (311,815)	\$ 2,358,625	\$ 7,727,018	\$ 1,011,411	\$ 2,048,809

Village of Algonquin, Illinois

Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012**	2013**	2014**	2015**
General Fund										
Reserved	\$ 73,689	\$ 489,665	\$ 128,273	\$ 91,051	\$ 820,482	\$ 1,087,729	N/A	N/A	N/A	N/A
Designated	-	439,570	370,413	723,366	630,847	631,745	N/A	N/A	N/A	N/A
Unreserved	4,737,674	5,766,026	7,240,821	7,537,908	8,031,591	8,981,623	N/A	N/A	N/A	N/A
Nonspendable	N/A	N/A	N/A	N/A	N/A	N/A	\$ 104,327	\$ 128,636	\$ 87,013	\$ 86,209
Restricted	N/A	N/A	N/A	N/A	N/A	N/A	-	-	-	578,255
Committed	N/A	N/A	N/A	N/A	N/A	N/A	-	-	-	-
Assigned	N/A	N/A	N/A	N/A	N/A	N/A	-	-	-	-
Unassigned	N/A	N/A	N/A	N/A	N/A	N/A	13,237,235	14,576,319	14,953,584	15,176,721
Total General Fund	\$ 4,811,363	\$ 6,695,261	\$ 7,739,507	\$ 8,352,325	\$ 9,482,920	\$ 10,701,097	\$ 13,341,562	\$ 14,704,955	\$ 15,040,597	\$ 15,841,185
All Other Governmental Funds										
Reserved	\$ 4,505,881	\$ 6,095,826	\$ 5,580,401	\$ 6,191,767	\$ 6,633,759	\$ 6,506,815	N/A	N/A	N/A	N/A
Unreserved, reported in										
Special Revenue Funds	3,074,909	2,199,087	2,347,141	3,088,941	2,363,027	3,001,419	N/A	N/A	N/A	N/A
Capital Project Funds	63,877	74,556	80,778	127,264	129,144	130,320	N/A	N/A	N/A	N/A
Debt Service Funds	-	-	-	-	-	-	N/A	N/A	N/A	N/A
Nonspendable	N/A	N/A	N/A	N/A	N/A	N/A	\$ 225	\$ 235	\$ 167	\$ 166
Restricted	N/A	N/A	N/A	N/A	N/A	N/A	2,266,916	1,860,785	2,309,292	2,476,984
Committed	N/A	N/A	N/A	N/A	N/A	N/A	-	-	-	-
Assigned	N/A	N/A	N/A	N/A	N/A	N/A	5,247,710	6,098,107	7,180,275	8,236,873
Unassigned	N/A	N/A	N/A	N/A	N/A	N/A	(94,471)	-	-	(279,467)
Total All Other Governmental Funds	\$ 7,644,667	\$ 8,369,469	\$ 8,008,320	\$ 9,407,972	\$ 9,125,930	\$ 9,638,554	\$ 7,420,380	\$ 7,959,127	\$ 9,489,734	\$ 10,434,556

Data Source

Audited Financial Statements

** Effective May 1, 2011, the Village adopted the provisions of Governmental Accounting Standards Board Statement No. 54 ("GASB 54"), *Fund Balance Reporting and Government Fund Type Definitions*. This statement establishes fund balance classifications of Nonspendable, Restricted, Committed, Assigned and Unassigned. Fund balances will not be classified as Reserved or Unreserved beginning in Fiscal Year 2012. In addition, this statement reclassified the Public Swimming Pool and the Special Revenue Funds balances to be included within the General Fund.

Village of Algonquin, Illinois

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	\$ 14,729,311	\$ 16,215,537	\$ 17,517,779	\$ 17,616,380	\$ 18,408,483	\$ 19,016,084	\$ 19,922,146	\$ 20,385,852	\$ 21,452,273	\$ 23,141,444
Licenses and Permits	1,111,868	798,701	716,764	934,656	339,520	358,788	397,652	705,734	407,800	589,957
Intergovernmental, Grants and Contributions	2,414,341	1,723,544	1,328,505	1,591,706	1,696,032	1,277,185	1,553,508	2,378,726	1,438,538	2,436,940
Charges for Services	480,582	815,555	696,065	520,417	463,882	301,319	338,722	340,063	333,652	343,116
Fines and Forfeitures	576,564	583,982	615,449	694,899	1,132,348	907,896	864,061	798,921	749,287	687,897
Investment Income (Loss)	325,514	615,840	601,942	342,425	215,055	192,446	177,277	74,537	(219,130)	69,180
Miscellaneous	65,359	76,337	74,794	128,001	55,366	58,564	135,304	128,322	263,402	218,533
Total Revenues	19,703,539	20,829,496	21,551,298	21,828,484	22,310,686	22,112,282	23,388,670	24,812,155	24,425,822	27,487,067
Expenditures										
General Government	4,040,376	3,954,995	4,018,830	4,159,903	4,030,535	4,109,045	4,138,167	4,343,983	4,279,256	4,531,249
Public Safety	6,622,469	6,322,486	6,784,724	7,516,079	7,730,736	7,980,376	8,328,490	8,570,284	8,787,750	9,114,836
Public Works	3,978,291	4,531,800	6,609,056	5,101,332	6,098,858	6,064,344	5,685,056	7,485,932	7,066,611	8,060,229
Capital Outlay	3,900,017	2,536,631	2,516,044	2,305,322	2,874,139	1,512,055	1,217,825	1,754,682	2,054,583	2,957,881
Debt Service										
Principal	504,547	543,317	597,355	451,600	465,000	500,000	3,420,695	590,000	634,615	689,757
Interest	296,134	331,567	307,192	281,778	262,865	187,454	176,146	165,134	153,287	89,505
Total Expenditures	19,341,834	18,220,796	20,833,201	19,816,014	21,462,133	20,353,274	22,966,379	22,910,015	22,976,102	25,443,457
Excess of Revenues over (under)										
Expenditures	361,705	2,608,700	718,097	2,012,470	848,553	1,759,008	422,291	1,902,140	1,449,720	2,043,610

(Continued)

Village of Algonquin, Illinois

Changes in Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Other financing Sources (Uses)										
Transfers In	\$ 574,104	\$ 617,081	\$ 1,050,798	\$ 669,376	\$ 678,098	\$ 852,355	\$ 852,355	\$ 852,355	\$ 850,000	\$ 596,147
Transfers Out	(574,104)	(617,081)	(1,085,798)	(669,376)	(678,098)	(852,355)	(852,355)	(852,355)	(850,000)	(596,147)
Proceeds from Capital Lease	-	-	-	-	-	-	-	-	106,265	-
Proceeds from bonds/issuance of refunding bonds	2,935,000	-	-	-	-	-	-	-	2,885,000	-
Premium on general obligation bonds	-	-	-	-	-	-	-	-	119,392	-
Discount on general obligation bonds	(24,874)	-	-	-	-	-	-	-	-	-
Transfer to refunded bond escrow	-	-	-	-	-	-	-	-	(2,992,328)	-
Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	2,910,126	-	(35,000)	-	-	-	-	-	118,329	-
Net Change in Fund Balances	\$ 3,271,831	\$ 2,608,700	\$ 683,097	\$ 2,012,470	\$ 848,553	\$ 1,759,008	\$ 422,291	\$ 1,902,140	\$ 1,568,049	\$ 2,043,610
Debt Service as a Percentage of Noncapital Expenditures	5.19%	5.58%	4.94%	4.19%	3.90%	3.74%	16.86%	4.18%	3.82%	3.56%

Data Source

Audited Financial Statements

Village of Algonquin, Illinois

Assessed Value and Actual Value of Taxable Property
Last Ten Levy Years

Levy Year	Equalized Assessed Valuation					Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value	Commercial and Industrial		Residential	
	Residential Property	Commercial Property	Industrial Property	Other Property	Total Taxable Assessed Value				Number of permits	Value (1)	Number of permits	Value (1)
2005	\$ 797,460,690	\$ 136,704,248	\$ 10,954,984	\$ 1,971,828	\$ 947,091,750	0.4641	\$ 2,841,275,250	33.333%	19	\$ 18,264,861	288	\$ 42,870,238
2006	862,594,920	163,022,809	11,455,468	1,918,372	1,038,991,569	0.4642	3,116,974,707	33.333%	20	41,819,250	113	20,806,545
2007	919,421,895	179,848,425	14,279,170	2,341,302	1,115,890,792	0.4701	3,347,672,376	33.333%	10	17,450,000	22	6,504,500
2008	945,636,052	192,038,216	15,042,082	2,357,036	1,155,073,386	0.4849	3,465,220,158	33.333%	10	23,298,000	15	5,344,348
2009	936,696,159	204,128,666	14,380,217	2,386,354	1,157,591,396	0.4839	3,472,774,188	33.333%	3	1,771,968	3	1,125,170
2010	860,584,473	199,171,411	15,301,720	2,563,069	1,077,620,673	0.5233	3,232,862,019	33.333%	2	2,316,784	2	1,244,433
2011	777,644,853	186,100,950	14,937,997	2,596,949	981,280,749	0.5642	2,943,842,247	33.333%	1	5,136,364	-	-
2012	701,596,262	170,572,789	12,346,224	2,685,421	887,200,696	0.6208	2,661,602,088	33.333%	-	-	11	21,107,592
2013	638,297,331	153,327,229	10,791,813	2,595,085	805,011,458	0.6775	2,415,034,374	33.333%	5	1,582,118	4	1,355,749
2014	614,951,665	150,078,586	10,302,225	2,478,946	777,811,422	0.7047	2,333,434,266	33.333%	2	6,917,760	18	6,917,018

Data Source

Assessed Value, Tax Rate, Taxable Value: Office of the County Clerks and Township Assessors
Permits and Construction Value: Village of Algonquin Records

Note : Property is assessed at 33 1/3 % of actual value; property tax rates are per \$100 of assessed valuation.
Property is assessed on the following basis: McHenry Township - Annual; Dundee Township - Quadrennial (minimum)
Grafton Township - Quadrennial (minimum)
Value (1) - The Estimated construction cost is provided by the permit applicant

Village of Algonquin, Illinois

**Property Tax Rates - Direct and Overlapping Governments
Last Ten Levy Years**

	Levy Years									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Village Direct Rates										
General Corporate	\$ 0.4641	\$ 0.4642	\$ 0.4701	\$ 0.4849	\$ 0.4839	\$ 0.5233	\$ 0.5642	\$ 0.6208	\$ 0.6775	\$ 0.7047
Overlapping Rates										
Fire Districts (5)	2.0788	2.1485	2.1066	2.1304	2.1466	2.3469	2.4758	3.5099	3.8524	4.0108
Kane County	0.3367	0.3452	0.3322	0.3336	0.3398	0.3730	0.3990	0.4336	0.4623	0.4684
Kane County Forest Preserve	0.1905	0.1747	0.1974	0.1932	0.1997	0.2201	0.2609	0.2710	0.3039	0.3126
McHenry County	0.7278	0.7060	0.6871	0.7014	0.7157	0.7927	0.8879	0.9958	1.0960	1.1412
McHenry County Conservation	0.1490	0.1425	0.1738	0.1732	0.1775	0.1956	0.2191	0.2481	0.2748	0.2840
Park Districts (3)	0.7313	0.7121	0.6862	0.6580	0.6959	0.8241	0.8665	0.7645	1.0765	1.1276
Public Libraries (4)	0.6675	0.8695	0.8456	0.8438	0.8693	0.9916	1.0266	1.1517	1.2313	1.3632
Road & Bridge (4)	0.2335	0.2281	0.2210	0.2237	0.2283	0.2552	0.2794	0.3942	0.4387	0.4548
Schools (4)	9.0626	8.7973	8.5327	8.4892	8.7353	9.9611	10.4509	12.0424	13.1491	14.0008
Townships (4)	0.2753	0.2411	0.2527	0.2522	0.2620	0.2984	0.3230	0.4165	0.4316	0.4468

Data Source

Office of the County Clerk

Property tax rates are per \$100 of assessed valuation.

Village of Algonquin, Illinois

**Principal Property Taxpayers
Current Year and Ten Years Ago**

Taxpayer	April 30, 2015			April 30, 2006		
	2014 Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	2005 Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
In Retail Fund Algonquin Commons LLC	\$ 25,179,284	1	3.24%	\$ -	-	0.00%
Rubloff Oakridge Algonquin LLC	6,656,815	2	0.86%	-	-	0.00%
Windsor Square Apartments LLC	4,395,168	3	0.57%	-	-	0.00%
Oakridge Court LLC	4,227,506	4	0.54%	-	-	0.00%
Wal-Mart Real Estate	3,674,529	5	0.47%	3,948,211	6	0.42%
Meijer Stores LTD Partnership	3,594,049	6	0.46%	5,545,302	3	0.59%
Target Corporation	3,283,972	7	0.42%	4,260,220	4	0.45%
LTF USA Real Estate LLC	3,124,338	8	0.40%	4,099,118	5	0.43%
Randall Holdings LLC	2,976,237	9	0.38%	-	-	0.00%
RPA Shopping Center Ph. 1 LLC	2,482,198	10	0.32%	3,524,283	7	0.37%
HD Development of MD Inc.	-	-	0.00%	3,308,208	8	0.35%
Algonquin Phase I Associates LLC	-	-	0.00%	17,279,902	1	1.82%
Rubloff Oakridge Algonquin LLC	-	-	0.00%	8,291,963	2	0.88%
Nickels Quarters LLC	-	-	0.00%	2,849,662	9	0.30%
Chokshi R N/Jyotsana	-	-	0.00%	2,179,789	10	0.23%
	<u>\$ 59,594,096</u>		<u>7.66%</u>	<u>\$ 55,286,658</u>		<u>5.84%</u>

Data Source

Office of the County Clerk

Note: Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers contain multiple parcels, and it is possible that some parcels and their valuations have been overlooked.

Village of Algonquin, Illinois

**Property Tax Levies and Collections
Last Ten Levy Years**

Levy Year	Tax Levy	Collected within the Fiscal Year after the Levy		Collected in Subsequent Fiscal Years	Total Collections	
		Amount	Percentage of Levy	Amount	Total	Percentage of Levy
2005	\$ 4,392,662	\$ 4,389,404	99.93%	\$ 1,672	\$ 4,391,076	99.96%
2006	4,829,500	4,824,833	99.90%	7	4,824,840	99.90%
2007*	5,242,000	5,241,867	100.00%	443	5,242,310	100.01%
2008	5,601,000	5,589,578	99.80%	184	5,589,762	99.80%
2009	5,601,000	5,596,725	99.92%	1,294	5,598,019	99.95%
2010*	5,601,000	5,622,139	100.38%	1,254	5,623,393	100.40%
2011	5,575,000	5,522,438	99.06%	162	5,522,600	99.06%
2012*	5,481,000	5,490,574	100.17%	-	5,490,574	100.17%
2013	5,481,000	5,451,343	99.46%	-	5,451,343	99.46%
2014	5,481,000	N/A	N/A	N/A	N/A	N/A

*Collection rates exceeding 100% are attributed to the differences due to timing Village's Tax Levy and the County's corresponding Final Tax Extension. This can occur when a county relies on estimated equalized assessed valuation (EAV) due to changes made to the EAV upon review of the state equalization board.

Data Source

Office of the County Clerk

Note: Property is assessed at 33 1/3 % of actual value.

Property is assessed on the following basis: McHenry Township - Annual;

Village of Algonquin, Illinois

Sales Tax Base and Number of Principal Payers
Taxable Sales by Category - 1% Sales Tax
Last Ten Calendar Years

	Calendar Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Merchandise	\$ 1,040,830	\$ 1,134,546	\$ 1,181,247	\$ 1,128,164	\$ 1,196,336	\$ 1,328,129	\$ 1,253,051	\$ 1,366,558	\$ 1,365,588	\$ 2,094,389
Food	494,863	668,337	792,506	903,485	987,441	957,066	989,997	975,961	989,451	1,072,713
Drinking and Eating Places	573,544	625,786	632,570	622,420	634,989	592,419	667,728	717,117	732,747	754,333
Apparel	490,072	549,577	575,270	509,925	455,968	519,440	685,012	588,495	593,205	607,179
Furniture & H.H. & Radio	423,118	629,713	727,475	639,712	528,320	510,346	491,866	523,162	549,625	590,672
Lumber, Building, Hardware	313,334	324,388	341,289	356,094	312,403	303,779	304,682	301,486	346,042	356,151
Automobile and Filling Stations	1,067,088	1,110,196	1,159,194	1,173,824	1,051,475	1,070,284	1,223,019	1,254,027	1,258,100	557,652
Drugs and Miscellaneous Retail	587,094	775,525	870,839	866,106	1,047,092	1,038,679	1,065,226	1,036,697	1,081,094	1,150,529
Agriculture and All Others	165,951	184,814	192,069	180,022	125,987	110,353	103,667	94,845	106,527	129,176
Manufacturers	135,846	116,495	126,597	109,840	103,914	83,071	117,709	75,772	81,124	103,111
Total	\$ 5,291,741	\$ 6,144,349	\$ 6,599,056	\$ 6,504,882	\$ 6,455,352	\$ 6,525,655	\$ 6,948,585	\$ 6,991,371	\$ 7,144,335	\$ 7,453,273
Total Number of Payers	906	944	989	825	801	766	1,128	807	794	810
Village direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Village home rule sales tax rate	0.00%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%

Data Source

Illinois Department of Revenue

Note: Blank categories have less than 4 taxpayers, therefore no data is shown to protect the confidentiality of individual taxpayers; totals include censored data.

Home rule sales tax of .75% went into effect on July 1, 2006

Village of Algonquin, Illinois

**Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years**

Fiscal Year	Village Direct Rate	State Rate
2006	1.00%	5.50%
2007	1.75%	5.50%
2008	1.75%	5.50%
2009	1.75%	6.00%
2010	1.75%	6.00%
2011	1.75%	6.00%
2012	1.75%	6.00%
2013	1.75%	6.00%
2014	1.75%	6.00%
2015	1.75%	6.00%

Data Source

Village and County Records

Village of Algonquin, Illinois

**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year Ended	Governmental Activities		Business-Type Activities		Total Primary Government	Ratio of Total Outstanding Debt To Equalized Assessed Valuation*	Total Outstanding Debt Per Capita*
	General Obligation Bonds	Capital Leases	General Obligation Bonds	Revenue Bonds			
2006	\$ 9,798,530	\$ 142,272	\$ 10,750,000	\$ 680,000	\$ 21,370,802	2.26%	\$ 684.74
2007	9,429,767	78,955	10,580,000	460,000	20,548,722	1.98%	658.40
2008	9,016,888	11,600	10,385,000	225,000	19,638,488	1.76%	644.27
2009	8,700,204	-	10,170,000	-	18,870,204	1.63%	619.06
2010	8,365,044	-	9,685,000	-	18,050,044	1.56%	592.15
2011	8,081,752	-	9,220,000	-	17,301,752	1.61%	575.84
2012	4,791,375	-	8,751,165	-	13,542,540	1.38%	450.73
2013	4,199,853	-	8,233,893	-	12,433,746	1.40%	413.82
2014	3,665,621	91,650	7,943,788	-	11,701,059	1.45%	389.44
2015	2,970,191	71,893	7,348,715	-	10,390,799	1.34%	345.83

Note: Details of the Village's outstanding debt can be found in the notes to the financial statements.

Village of Algonquin, Illinois

**Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds	Less: Amounts		Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita	
		Available In Debt Service Fund					
2006	\$ 20,548,530	\$ 3,362,628	\$	17,185,902	1.81%	\$ 550.65	3
2007	20,009,767	3,408,084		16,601,683	1.60%	518.80	3
2008	19,401,888	3,449,882		15,952,006	1.43%	523.33	1
2009	18,870,204	3,460,655		15,409,549	1.33%	505.53	1
2010	18,050,044	3,473,130		14,576,914	1.26%	478.21	1
2011	17,301,752	3,550,824		13,750,928	1.28%	457.66	2
2012	13,542,540	885,085		12,657,455	1.29%	421.27	2
2013	12,433,746	675,164		11,758,582	1.33%	391.35	2
2014	11,609,409	767,180		10,842,229	1.35%	360.85	2
2015	10,318,906	612,055		9,706,851	1.25%	323.07	2

Note: Details of the Village's outstanding debt can be found in the notes to the financial statements.

* See the Schedule of Assessed Value and estimated Actual Value of Taxable Property for property value data.

Per Capita:

- 1 - Special Census
- 2 - Federal Census
- 3 - Estimate

Village of Algonquin, Illinois

**Direct and Overlapping Governmental Activities Debt
As of April 30, 2015**

Governmental unit	Gross Debt	Percentage Debt Applicable to the Village of Algonquin*	Village of Algonquin Share of Debt
Kane County	\$ 47,510,000	1.78%	\$ 845,678
McHenry County Conservation District	111,220,000	8.28%	9,209,016
Kane County Forest Preserve	168,865,866	1.78%	3,005,812
Dundee Township Park District	20,445,000	15.25%	3,117,863
Huntley Park District	8,470,000	9.68%	819,896
Dundee Township	5,230,000	15.30%	800,190
Algonquin Library	3,090,000	79.12%	2,444,808
Schools			
District No. 300	300,707,410	32.95%	99,083,092
District No. 158	89,349,615	10.10%	9,024,311
District No. 509	<u>187,887,832</u>	8.74%	<u>16,421,397</u>
Subtotal, overlapping debt	<u>942,775,723</u>		<u>144,772,062</u>
Village of Algonquin direct debt	<u>2,970,191</u>	<u>100.00%</u>	<u>2,970,191</u>
Total direct and overlapping debt	<u>\$ 945,745,914</u>		<u>\$ 147,742,253</u>

* Determined by ratio of assessed valuation of property subject to taxation in the Village of Algonquin to valuation of property subject to taxation in overlapping unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Village. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Village of Algonquin. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Village of Algonquin, Illinois

Schedule of Legal Debt Margin

April 30, 2015

The Village is a home rule municipality.

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes governs computation of the legal debt margin.

"The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property...(2) if its population is more than 25,000 and less than 500,000 in aggregate of one percent:...indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts."

To date the General Assembly has set no limits for home rule municipalities.

Village of Algonquin, Illinois

**Pledged Revenue Coverage
Last Ten Fiscal Years**

Water Revenue Bonds							
Fiscal Year	Water Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest		
2006	\$ 7,701,740	\$ 3,732,996	\$ 3,968,744	\$ 210,000	\$ 31,560	16.43	
2007	8,917,226	4,029,257	4,887,969	210,000	24,946	20.80	
2008	9,713,644	4,219,823	5,493,821	235,000	17,246	21.78	
2009	9,286,350	4,645,700	4,640,650	225,000	8,550	19.87	
2010	7,572,436	5,073,600	2,498,836	-	-	-	
2011	7,675,678	4,632,384	3,043,294	-	-	-	
2012	7,850,815	4,650,933	3,199,882	-	-	-	
2013	9,569,375	4,892,015	4,677,360	-	-	-	
2014	7,602,692	4,684,650	2,918,042	-	-	-	
2015	6,564,000	5,897,172	666,828	-	-	-	

Note: Details of the Village's outstanding debt can be found in the notes to the financial statements.
 Water Charges and Other includes investment earnings but excludes sale of property and grants.
 Operating expenses do not include debt service, depreciation or reserve requirements.

Village of Algonquin, Illinois

**Demographic and Economic Information
Last Ten Fiscal Years**

Fiscal Year	Population		Equalized Assessed Value (EAV)		Per Capita EAV	Unemployment Rate
2005	30,470	(E)	\$ 947,091,750	\$	31,083	4.7%
2006	31,210	(E)	1,038,991,569		33,290	3.3%
2007	30,482	(A)	1,115,890,792		36,608	3.9%
2008	30,482	(E)	1,155,073,386		37,894	5.1%
2009	30,482	(E)	1,157,591,396		37,976	8.6%
2010	30,046	(A)	1,077,620,673		35,866	8.6%
2011	30,046	(E)	981,280,749		32,659	8.0%
2012	30,046	(E)	887,200,696		29,528	8.6%
2013	30,046	(E)	805,011,458		26,793	8.1%
2014	30,046	(E)	777,811,422		25,887	5.2%

(A) Actual
(E) Estimate

Note: Personal Income data not available.

Information for 2015 not currently available.

Illinois Department of Employment Security. "Local Area Unemployment Statistics (LAUS)."
LMI Source. July 21, 2014.

<<http://www.ides.illinois.gov/LMI/Local%20Area%20Unemployment%20Statistics%20LAUS/downloadable/2013-moaa.PDF>>

Village of Algonquin, Illinois

**Principal Employers
Current and Nine Years Ago**

Employer	2014			2005		
	Employees	Rank	% of Total City Population	Employees	Rank	% of Total City Population
School District Number 300*	396	1	2.47%	-	-	0.00%
Jewel Osco	340	2	2.12%	-	-	0.00%
Walmart	265	3	1.66%	-	-	0.00%
Meijer	260	4	1.62%	-	-	0.00%
Joe Caputo and Sons Fruit Market	160	5	1.00%	-	-	0.00%
Village of Algonquin	153	6	0.96%	140	2	0.94%
Target	150	7	0.94%	-	-	0.00%
Home Depot	140	8	0.87%	-	-	0.00%
Kenmode Tool and Engineering, Inc.	135	9	0.84%	125	4	0.84%
Young Innovations, Inc.	100	10	0.62%	-	-	0.00%
PEP Wauconda LLC (formerly Wauconda Tool and Engineering)	-	-	0.00%	135	3	0.90%
Kohls	-	-	0.00%	-	-	0.00%
Duro-Life Corp.	-	-	0.00%	80	6	0.54%
Target Manufacturing Inc.	-	-	0.00%	50	8	0.34%
Hanson Material Service Corp.	-	-	0.00%	100	5	0.67%
Algonquin State Bank	-	-	0.00%	50	9	0.34%
Crystal Die and Mold, Inc	-	-	0.00%	160	1	1.07%
Schiffmayer Plastics Corp.	-	-	0.00%	75	7	0.50%
Michael Christopher Ltd	-	-	0.00%	45	10	0.30%

Note: Information for 2015 not currently available.

Data Source

* Only schools located in the Village of Algonquin

2014 Illinois Manufacturers Directory, 2014 Illinois Services Directory, the Village and a selective telephone survey
 2005 Illinois Manufacturers Directory, 2001 Illinois Services Directory and a selective telephone survey
 Spear Financial, March 31, 2015

Illinois Department of Employment Security . "Local Area Unemployment Statistics (LAUS)."
 LMI Source. July 31, 2015.
 <http://www.ides.illinois.gov/LMI/Pages/Downloadable_LAUS_Files.aspx>

Village of Algonquin, Illinois

**Full-Time Equivalent Employees
Last Ten Fiscal Years**

Full-Time-Equivalent Employees as of April 30

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Administration	17	18	18	22	20	19	19	20	19	19
Community Development	12	12	12	12	12	12	12	12	12	12
Public Safety										
Police										
Officers	46	46	49	50	49	49	49	48	46	46
Civilians	7	7	9	11	11	11	11	11	11	10
Public Works										
Public Works Administration	9	9	7	8	7	6	6	6	6	4
Streets Department	14	14	15	16	16	14	14	14	14	11
Parks	14	14	14	17	17	16	15	16	15	14
Internal Services	5	5	7	9	9	9	9	9	8	9
Water										
Water and Sewer	20	19	22	22	22	19	20	20	21	23
Pool	N/A	N/A	N/A	4	5	5	4	3	4	4
Total	144	144	153	171	168	160	159	159	156	152

Data Source

Village Finance Department

Note: Prior to FYE2009 valuing Pool employees full-time equivalence considered immaterial because most employees are part-time and all employees are seasonal for no more than three months.

The Village of Algonquin changed the methodology for the valuation of full-time employees beginning with the April 30, 2009 financial statements due to a changing workforce.

Employees in the Building Maintenance and Vehicle Maintenance were combined and reported in Internal Services beginning with the April 30, 2011 financial statements.

Village of Algonquin, Illinois

**Operating Indicators
Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Community Development										
Building permits issued	1,913	2,065	1,893	3,366	2,092	1,854	2,170	2,354	2,467	4,107
Building inspections conducted	9,463	6,517	4,290	5,720	4,036	2,756	4,096	4,023	4,562	8,589
Property maintenance inspections conducted	1,943	2,688	2,452	3,810	3,483	3,552	4,330	4,605	3,982	4,292
Public Safety										
Police										
Physical arrests	279	946	703	939	777	660	724	555	511	488
Parking violations	548	1,142	1,243	992	711	1,375	1,271	1,302	1,287	1,040
Traffic violations	2,057	6,394	6,684	6,611	4,524	4,311	4,818	3,708	3,305	2,233
Public Works										
Streets										
Street resurfacing (miles)	1.12	0.80	1.22	0.95	2.50	2.77	1.76	2.00	4.90	5.10
Potholes repaired	210	330	370	450	954	833	2,744	3,047	3,582	3,315
Parks and Recreation										
Park sites	20	21	22	22	22	22	22	22	22	22
Developed park acreage	251	253	155	155	155	155	155	155	155	155
Open space	273	273	512	512	512	512	512	512	512	512
Water										
New Connections (tap-ons)	400	400	21	20	5	5	-	13	7	22
Average daily consumption*	3,003	2,899	2,946	3,000	2,760	2,590	2,679	2,864	2,682	2,725
Peak daily consumption*	5,610	4,679	4,428	4,200	4,671	3,924	3,382	5,151	4,253	3,231
Wastewater										
Average daily sewage treatment*	3	3.2	3.0	3.5	3.1	3.0	2.9	2.8	3.0	2.9

* (thousands of gallons)

** (millions of gallons)

Data Source

Various Village departments

Village of Algonquin, Illinois

**Capital Asset Statistics
Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Geographic patrol areas	6	6	6	6	6	6	6	6	6	6
Public Works										
Streets										
Streets (miles)	248	249	249	249	249	286	286	267	256	256
Streetlights	160	228	228	228	228	228	228	189	189	211
Parks and Recreation										
Acreage	524	526	647	667	667	667	667	667	667	667
Playgrounds	16	17	18	18	18	18	18	18	18	18
Sites with baseball diamonds	9	9	9	9	9	9	9	9	9	9
Sites with soccer fields	11	11	11	11	11	11	11	11	11	11
Sites with basketball courts	13	13	14	14	14	14	14	14	14	14
Sites with tennis courts	4	4	5	5	5	5	5	5	5	5
Water										
Water mains (miles)	160	168	168	159	159	170	165	165	165	168
Fire hydrants	2,180	2,200	2,207	2,049	2,153	2,176	2,208	2,213	2,213	2,214
Storage capacity*	3.390	3.390	3.390	3.390	3.390	3.390	3.390	3.390	3.390	3.390
Wastewater										
Sanitary sewers (miles)	135	135	135	134	136	140	138	135	137	144
Treatment capacity*	2.834	2.980	2.828	5.000	5.000	5.000	5.000	5.000	5.000	5.000

Data Source

Various Village departments

* (thousands of gallons)