

# Village of Algonquin, Illinois

Comprehensive Annual Financial Report  
Year Ended April 30, 2014



Assurance ■ Tax ■ Consulting

# **Village of Algonquin, Illinois**

Comprehensive Annual Financial Report  
Year Ended April 30, 2014

Issued by the Finance Department

Michael J. Kumbera  
Treasurer

Susan Skillman  
Comptroller

# Village of Algonquin, Illinois

## Comprehensive Annual Financial Report

Year Ended April 30, 2014

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**Village of Algonquin, Illinois  
Principal Officials**

**April 30, 2014**

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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

December 3, 2014

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, 2014, 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, 2014, 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 unmodified opinion that the Village's financial statements for the fiscal year ended April 30, 2014, 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 require 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's manager and attorney. The Village's 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, 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**

The Illinois Department of Transportation concluded work on the Illinois Route 31 Western Bypass in Algonquin, which began in September 2012. The \$33.3 million project includes the construction of 2.11 miles of a four-lane divided highway, diamond interchange, four new bridges, retaining walls, and noise abatement improvements.

In December 2014, Standard & Poor's rating agency raised the Village's rating to AAA with stable outlook. This rating is credited to the Village's very strong financial position and strong retail and economic base.

The Village saw some substantial growth in new housing starts with William Ryan Homes beginning construction on single-family homes in The Coves III subdivision. When completed, this development will add over 40 townhomes and 65 single-family homes to Algonquin.

At the General Primary Election in March 2014, Algonquin voters approved the Village establishing a municipal electrical aggregation program. Electrical aggregation allows local governments to negotiate lower electricity rates for their residential and small business customers. With increased bargaining power, communities throughout Illinois have been able to secure lower rates for residents from an electrical supplier. The Village, working with Northern Illinois Governmental Electric Aggregation Consortium, secured a one-year agreement with Direct Energy to provide electric supply to eligible Algonquin customers.

The Algonquin Police Department received the Tier II Illinois Law Enforcement Accreditation in 2013. The accreditation process, which was a rigorous, multi-year process, demonstrates the professionalism of the department and the quality of service delivery to the community.

### **Outlook for 2014-2015**

The proposed Longmeadow Parkway Bridge Corridor project received a \$45 million financing commitment from the Illinois Department of Transportation. The project, a four-lane Fox River Bridge crossing and four-lane arterial roadway corridor with a median, approximately 5.6 miles in length, is designed to alleviate traffic congestion in northern Kane County. Bid opening for construction is scheduled for late 2015.

After completion of the Downtown Planning Study in March 2013, the Village began implementation of a tax increment financing (TIF) district for the area. The TIF district is one of several recommended funding mechanisms to implement various strategies of the Downtown Planning Study. The proposed 407 acre district is scheduled for formal approval in late 2014.

Gander Mountain is currently constructing a new 52,000 square foot retail center in Algonquin. The new store, expected to open in October 2014, expects to draw consumers from a regional retail trade area, contributing new sales tax revenue to the Village.

### **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 2014 report of 6.0% which is lower than the same period last year (8.4%). By comparison, the State of Illinois and McHenry County July 2014 rates were 7.0% and 5.7%, 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 FY14 increased 3.7% for the year following increases of 9.7% and 6.8% for FY13 and FY12, 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 2014) which unfavorably impacts our 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 FY14 were up 1.8% from FY13 which had decreased 1.0% in the prior year.

The 2013 assessed property values in the Village decreased 9.3% which follows reductions of 9.6% and 8.9% for 2012 and 2011, 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 \$24,000 due to increased permit activity in the Village. Overall, operating results in the General Fund were positive as revenues exceeded budget by 0.7% and expenditures were 2.1% less than budget.

### **Debt Administration**

As of April 30, 2014, the Village had three outstanding debt issues, all of which were general obligation bonds. Outstanding at year end were \$11,190,000 for general obligation bonds. Continuing its practice, the Village abated \$1.41 million dollars of the 2013 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% 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 certificates of deposit and 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), 90 days to two years (Certificates of Deposit), and up to 3 years (IMET and the 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, 2014, were 7.26% reflecting continued recovery from the 2008 turmoil.

### **Pension Benefits**

Pension costs in the state of Illinois continue to receive considerable publicity since the funding level of state pension funds is unfavorable following years of pension payment “holidays” by the state. 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, 2014, in funding 58.6% of the actuarial accrued liabilities. The actuarial valuation as stated in this report for FY 2014, determined that the net contribution due from the Village is \$1,239,425. The remaining unfunded amount is being systematically funded over 19 years as part of the annual required contribution calculated by the actuary.

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 Fund (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, 2013. This was the tenth 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 2014 budget document. This was the tenth 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 2014 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.

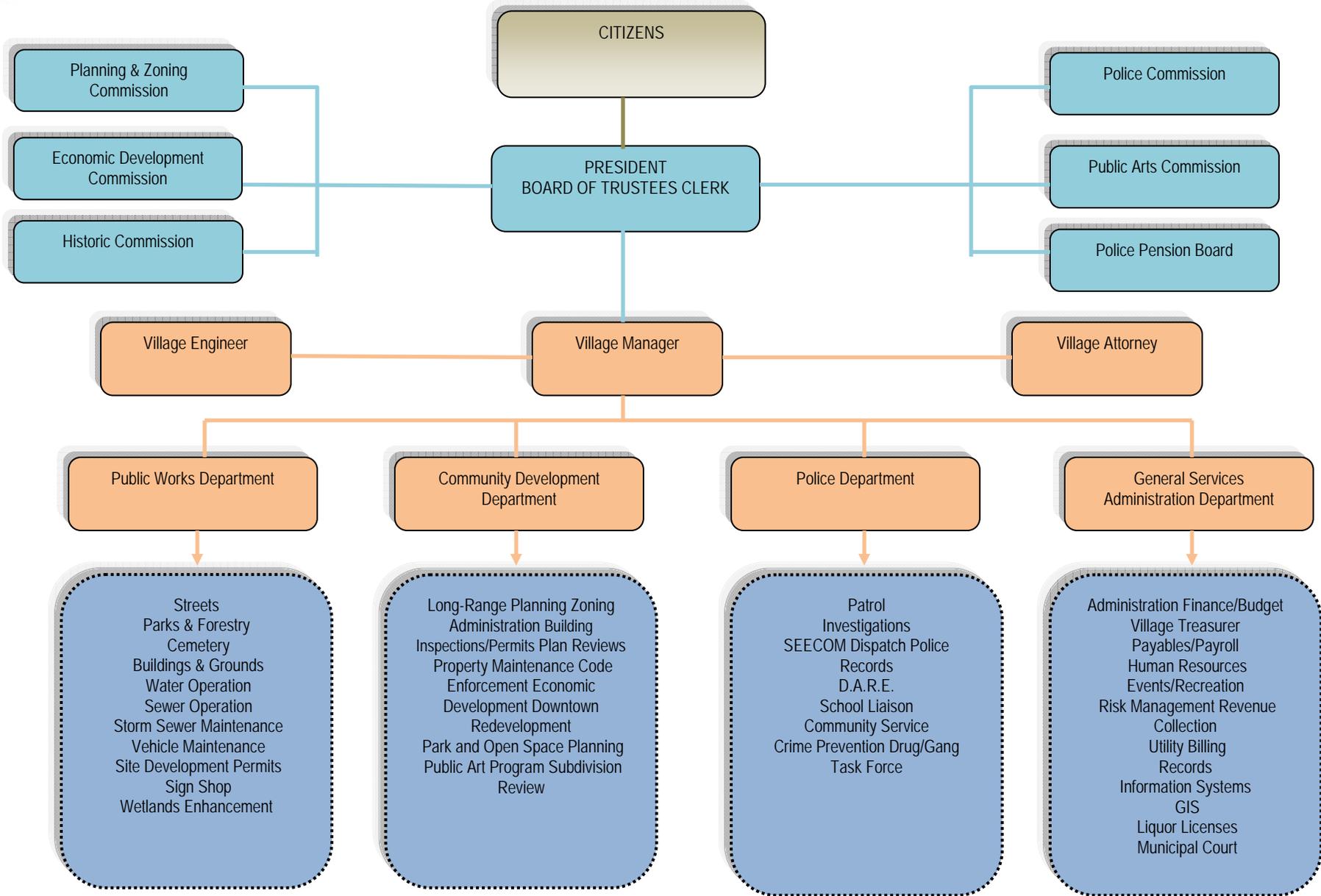
Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael J. Kumbera". The signature is written in a cursive style with a large initial "M".

Michael J. Kumbera  
Assistant Village Manager



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, 2013**

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, 2014, 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, 2014, 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 12 to the financial statements, during the year ended April 30, 2014 the Village implemented the provisions of GASB Statement 65, *Items Previously Reported as Assets and Liabilities*, which required a restatement of opening net position of \$75,826. 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 - 13), budgetary comparison information (page 59), and pension and OPEB information (pages 60 - 62) 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 64 - 101) 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  
December 3, 2014

**Village of Algonquin, Illinois  
Management's Discussion and Analysis  
April 30, 2014**

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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 14).

### **Financial Highlights**

- The Village's net position increased by \$1.0 million (or 0.4%) from FY13 to \$271.6 million.
- The governmental activities net position increased by \$2.1 million (or 1.0%) from FY13 to \$203.6 million.
- The business-type activities net position decreased by \$1.1 million (or 1.6%) from FY13 to \$68.0 million.
- The total revenues of all governmental activity programs decreased by \$2.4 million and expenses increased \$2.4 million from FY13.
- The total revenues of business-type activity programs decreased by \$2.1 million and expenses decreased \$0.2 million from FY13.
- The total cost of all Village expenses increased by \$2.2 million (or 7.3%).
- The Village's general fund balance increased by \$0.1 million from FY13.
- The Village's general fund actual revenues were under the budgeted amounts by \$0.2 million and actual expenditures were under the budgeted amounts by \$0.5 million.
- The Village's capital assets decreased by \$1.4 million to \$244.8 million in 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 14-17) 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 16-17) 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  
April 30, 2014**

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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 18-21) 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 27 and 28). 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 Deposit 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 22-26) 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 19 and 21). 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 \$1.0 million from FY13 – increasing from \$270.6 million to \$271.6 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 \$2.1 million from \$201.5 million to \$203.6 million. The business-type activities net position decreased by \$1.1 million from \$69.1 million to \$68.0 million. Table 1 reflects the condensed Statement of Net Position compared to FY13. 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.

**Table 1**  
**Statement of Net Position**  
**As of April 30, 2014 and 2013**  
(in millions)

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Current and other assets	\$ 33.6	\$ 31.8	\$ 14.6	\$ 14.7	\$ 48.2	\$ 46.5
Capital assets	182.9	182.9	61.9	63.3	244.8	246.2
<b>Total assets</b>	<b>216.5</b>	<b>214.7</b>	<b>76.5</b>	<b>78.0</b>	<b>293.0</b>	<b>292.7</b>
Deferred Outflows of Resources	0.1	-	0.2	-	0.3	-
Long-term liabilities	3.7	4.1	7.5	7.8	11.2	11.9
Other liabilities	3.8	9.1	1.2	1.1	5.0	10.2
<b>Total liabilities</b>	<b>7.5</b>	<b>13.2</b>	<b>8.7</b>	<b>8.9</b>	<b>16.2</b>	<b>22.1</b>
Deferred Inflows of Resources	5.5	-	-	-	5.5	-
Net Position:						
Net investment in capital assets	179.3	181.7	54.1	55.1	233.4	236.8
Restricted	2.3	1.9	0.9	0.8	3.2	2.7
Unrestricted	22.0	17.9	13.0	13.2	35.0	31.1
<b>Total net position</b>	<b>\$ 203.6</b>	<b>\$ 201.5</b>	<b>\$ 68.0</b>	<b>\$ 69.1</b>	<b>\$ 271.6</b>	<b>\$ 270.6</b>

For more detailed information see the Statement of Net Position (pages14-15).

**Normal Impacts**

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.

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**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 \$1.0 million increase of combined net position (which is the Village's bottom line) was the result of the governmental activities net position increasing by \$2.1 million and the business-type activities decreasing by \$1.1 million.

The governmental activities total assets increased by \$1.8 million and the governmental activities total liabilities decreased by \$5.7 million. The total assets increase of \$1.8 million was a result of an increase of \$1.8 million in current and other assets and capital assets remained unchanged. The increase in current and other assets was due mainly to an operations surplus of \$1.8 million as revenues exceeded expenditures by that amount. Capital assets as a whole remained unchanged; changes to individual categories included an increase of \$2.0 million in construction in progress, and \$0.1 million in vehicles and equipment. This was offset by decreases of \$1.0 million in streets, storm and bridge improvements, \$0.3 million in buildings, and \$0.8 million in other improvements.

The governmental activities total liabilities decreased by \$5.7 million mainly due to the reclassification of unearned property tax revenue of \$5.5 million (now shown as deferred inflows of resources). There was a \$0.3 million decrease in long-term liabilities which was offset by an increase of \$0.1 million in current liabilities due mainly to a \$0.2 million increase in accounts payable and a \$0.1 million decrease in the current portion of long-term liabilities.

The net position of the business-type activities decreased by \$1.1 million from \$69.1 million to \$68.0 million. Total assets of the business-type activities decreased by \$1.5 million from \$78.0 to \$76.5 million. The total assets decrease of \$1.5 million was a result of a decrease in capital assets of \$1.4 million and an decrease of current and other assets of \$0.1 million. The capital asset decrease of \$1.4 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 vehicles and equipment which were offset with increases of \$0.5 million in construction in progress, and \$0.3 million in other improvements. The overall decrease was due mainly to capital assets depreciation. The decrease in current assets of \$0.1 million was mainly due to a decrease in cash and investments. Expenses exceeded revenues during FY14 which added a net deficit of \$1.1 million.

Total liabilities of the business-type activities decreased by \$0.2 million from \$8.9 million to \$8.7 million. The long term liabilities decreased by \$0.3 million due to the decrease of G.O. Bonds Payable for the wastewater treatment plant expansion. This was offset by a \$0.1 million increase in other liabilities due to slight increases in accounts payable.

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**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, 2014 and 2013**  
**(in millions)**

Revenue	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
<b>Program Revenues</b>						
Charges for Service	\$ 1.9	\$ 2.5	\$ 6.1	\$ 7.8	\$ 8.0	\$ 10.3
Operating Grants/Contributions	1.2	1.3	0.7	-	1.9	1.3
Capital Grants/Contributions	1.6	4.1	-	-	1.6	4.1
<b>General Revenue</b>						
Property	5.9	5.9	-	-	5.9	5.9
Other taxes	4.7	3.9	0.7	1.7	5.4	5.6
Other	10.8	10.8	(0.1)	-	10.7	10.8
<b>Total Revenue</b>	<b>26.1</b>	<b>28.5</b>	<b>7.4</b>	<b>9.5</b>	<b>33.5</b>	<b>38.0</b>
<b>Expenses</b>						
<b>Governmental Activities</b>						
General Government	4.5	4.7	-	-	4.5	4.7
Public Safety	8.8	8.7	-	-	8.8	8.7
Public Works	10.5	8.0	-	-	10.5	8.0
Interest	0.2	0.2	-	-	0.2	0.2
<b>Business-Type</b>						
Water and Sewer	-	-	8.5	8.7	8.5	8.7
<b>Total Expenses</b>	<b>24.0</b>	<b>21.6</b>	<b>8.5</b>	<b>8.7</b>	<b>32.5</b>	<b>30.3</b>
<b>Change in Net Position</b>	<b>2.1</b>	<b>6.9</b>	<b>(1.1)</b>	<b>0.8</b>	<b>1.0</b>	<b>7.7</b>
<b>Net position - beginning</b>	<b>201.5</b>	<b>194.6</b>	<b>69.1</b>	<b>68.3</b>	<b>270.6</b>	<b>262.9</b>
<b>Net position - ending</b>	<b>\$ 203.6</b>	<b>\$ 201.5</b>	<b>\$ 68.0</b>	<b>\$ 69.1</b>	<b>\$ 271.6</b>	<b>\$ 270.6</b>

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.)

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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 60.0% 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 decreased \$2.4 million from \$28.5 million to \$26.1 million. A decrease of \$2.5 million in capital grants/contributions, \$0.6 million in charges for services, \$0.1 million in operating grants/contributions were offset by a \$0.8 increase in general revenues. The \$2.5 million decrease in capital grants/contributions was due to a decrease in capital asset donations during FYE 14 as there was a large street project addition during the previous fiscal year. The decrease of \$0.6 million in charges for services was due to a decrease in building permit and developer fees from the previous year as there was a large apartment complex established during the previous fiscal year. The \$0.8 increase in general revenues consisted of an increase of \$1.0 million in home rule sales tax, \$0.1 million in sales tax, and \$0.1 million in income and use tax that were offset by decrease of \$0.1 million in telecommunication tax. The increase of \$1.0 million in home rule sales tax was due to an increase in the allocation percentage from 50% to 75% of collections from FY13 to FY14 to subsidize street improvement projects.

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 FY13 to FY14. The Village attempts to maintain its property tax level and capture new revenues from growth. Due to recent downturns in the housing market and continuing foreclosures, the Village's EAV decreased by approximately 10% from FY12 (\$887,200,696) to FY13 (\$805,011,458). The Village's property tax rate was .6208 in 2012 and .6775 in 2013.

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In the governmental activities, state shared income and use tax per capita revenues increased 2.8% from FY13 to FY14. Utility tax revenues were unchanged from the previous fiscal year and sales tax increased 1.5%. Telecommunication tax is collected and distributed by the state of Illinois; revenue receipts were unchanged from FY13 to FY14.

**Expenses:**

The Village's governmental activities total expenses increased \$2.4 million for FY14.

The Village's General Government function expenses decreased \$0.2 million from \$4.7 million to \$4.5 million. The General Government expenses decreased mainly due to a decrease in contractual services.

Public Safety expenses increased \$0.1 million from \$8.7 million to \$8.8 million. The Public Safety expenses increased mainly due to personnel costs.

Public Works expenses increased \$2.5 million from \$8.0 million to \$10.5 million due to an increase in capital outlay from the previous year.

*Business-type Activities*

**Revenue:**

Total revenues for Business-type Activities decreased \$2.1 million from \$9.5 million to \$7.4 million. There were decreases of \$1.7 million in charges for services and \$1.0 million in other taxes. These were offset by increases of \$0.7 million in operating grants and contributions and \$0.2 million in other revenues. The \$1.7 million decrease in charges for services included a decrease of \$1.5 million in connection fees and \$0.2 million in water and sewer revenues. A new apartment complex was established during FY13 which generated larger than normal connection fees during that fiscal year. The \$1.0 million decrease in other taxes was due to a decrease of \$1.0 million in home rule sales tax due to a reduction in the allocation percentage to the water and sewer fund from 50% to 25% during FY14.

**Expenses:**

The Village's Business-type Activities total expenses decreased \$0.2 million from \$8.7 million to \$8.5 million. The overall change in expenses was due to decreases in several operating expenses during FY14.

***FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS***

**Governmental Funds**

At April 30, 2014, the governmental funds (as presented on the balance sheet on page 18) reported a combined fund balance of \$24.2 million or an increase of 6.9% from \$22.6 million at the beginning of the year. Of the total fund balance, \$15.0 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 \$1.8 million in total assets and deferred outflows of resources an increase of \$0.2 million in total liabilities and deferred inflows of resources.

The increase of \$1.8 million in total assets consisted of an increase of \$2.1 million in cash and equivalents and investments from the operating surplus. This was offset by decreases of \$0.2 million in other receivables and \$0.1 million in other taxes. There was a \$0.2 million increase in total liabilities due mainly to a \$0.2 million increase in accounts payable.

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The general fund total fund balance stayed consistent at \$14.7 million from FY13 to FY14. General fund assets did not change in total but had small changes in some areas which include an increase of \$0.2 million in cash and investments attributable to the operating surplus. The increases were offset by decreases of \$0.1 million in property tax receivables and \$0.1 million in various other receivables and prepaid items. General fund liabilities/deferred inflows of resources remained unchanged from FY13 to FY14.

The street improvement fund total fund balance increased \$1.1 million from \$5.0 million in FY13 to \$6.1 million in FY14. Assets increased \$1.4 million from FY13 to FY14. This included increases in cash and investments of \$1.6 million, and a decrease of \$0.2 million in other receivables. Street improvement fund liabilities/deferred inflows of resources increased \$0.3 million due to increases of \$0.2 million in accounts payable and \$0.1 million in deferred revenues-other from FY13 to FY14.

**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 59. Actual spending was \$.6 million less than the budget which was due to actual expenses less than budget of \$0.3 million in general government, \$0.25 million in public safety, and \$0.05 million in public works and capital outlay.

The \$0.3 million savings in general government expenses was due to savings in administration contractual services and other charges. Expenses were under budget in insurance and professional services expenses in administration.

The \$0.25 million savings in public safety expenses was due mainly to insurance and personnel savings.

The \$0.05 million modest savings in public works and capital outlay expenses was due to savings in several accounts within the public works administration, streets, and parks departments.

**Table 3  
General Fund Budgetary Highlights  
(in millions)**

<b>General Fund</b>	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>
Revenues			
Taxes	\$ 16.977	\$ 16.977	\$ 16.975
Intergovernmental	0.375	0.428	0.419
Other	1.537	1.592	1.352
<b>Total</b>	<b>\$ 18.889</b>	<b>\$ 18.997</b>	<b>\$ 18.746</b>
Expenditures and Transfers			
Expenditures	\$ 18.171	\$ 18.471	\$ 17.874
Transfers/Other Financing Sources (Uses)	0.828	0.721	0.782
<b>Total</b>	<b>18.999</b>	<b>19.192</b>	<b>18.656</b>
<b>Change in Fund Balance</b>	<b>\$ (0.110)</b>	<b>\$ (0.195)</b>	<b>\$ 0.090</b>

Village of Algonquin, Illinois  
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**Capital Assets**

At the end of fiscal year 2014, the Village had a combined total of capital assets of \$244.85 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 \$1.4 million.

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

- Reconstruction of streets for The Highlands for \$1.6 million
- Rehabilitation of streets for Fieldcrest Farms for \$1.1 million
- Construction of Towne Park water main as part of the bypass addition for \$0.5 million
- Purchase of vehicles and equipment for \$0.8 million
- Enhancement to the wastewater SCADA equipment for \$0.4 million

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Land	\$ 94.57	\$ 94.57	\$ 3.64	\$ 3.64	\$ 98.21	\$ 98.21
Construction in Progress	2.60	0.57	0.97	0.41	3.57	0.98
Buildings	11.22	11.54	12.99	13.34	24.21	24.88
Vehicles and Equipment	1.04	0.95	0.41	0.11	1.45	1.06
Improvements other than Building	8.21	8.96	-	-	8.21	8.96
Streets/Storm Sewers/Bridges	65.31	66.35	-	-	65.31	66.35
Water and Sewer			43.89	45.81	43.89	45.81
<b>Total</b>	<b>\$ 182.95</b>	<b>\$ 182.94</b>	<b>\$ 61.90</b>	<b>\$ 63.31</b>	<b>\$ 244.85</b>	<b>\$ 246.25</b>

The following reconciliation summarizes the changes in Capital Assets which is presented in detail on pages 41-42 of the Notes.

**Table 5**  
**Change in Capital Assets**  
(in millions)

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Beginning Balance</b>	\$ 182.94	\$ 63.31	\$ 246.25
Additions			
Depreciable	1.96	1.46	3.42
Non-Depreciation	-	-	-
Construction in Progress	2.03	0.56	2.59
Retirements			
Depreciable	(0.34)	(0.32)	(0.66)
Non-Depreciation	-	-	-
Construction in Progress	-	-	-
Depreciation	(3.98)	(3.43)	(7.41)
Retirement	0.34	0.32	0.66
<b>Ending Balance</b>	<b>\$ 182.95</b>	<b>\$ 61.90</b>	<b>\$ 244.85</b>

The Governmental Activities net Capital Assets remained relatively unchanged from the past fiscal year. There was an increase noted in construction in progress (\$2.0 million). This was offset with decreases in streets/storm sewers/bridges (\$1.0 million); other improvements (\$0.7 million); and buildings (\$0.3 million). Besides the increase in construction in progress, the decreases were due to normal depreciation expense. Construction in progress increased due to the fact that there were various projects not completed at fiscal year-end.

The Business-type Activities net decrease of \$1.4 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 increases in construction of progress (\$0.5 million) and vehicles and equipment (\$0.3 million). The overall decrease was due to normal depreciation expense.

### Debt Outstanding

Since the mid 1990s, the Village of Algonquin has followed a financial policy of preferring 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 Extension, and the Village Construction Fund. The current Home Rule Sales Tax of .75% was allocated as an additional revenue source for capital and infrastructure to assist in the "pay as you go" philosophy. In FY14, 75% of the Home Rule Sales Tax was allocated to the Street Improvement Fund with 25% allocated to the Water and Sewer Improvement and Extension for infrastructure improvements and assistance with debt service.

The Village currently has three general obligation bond series. A total of \$11.19 million of general obligation bonds were outstanding at April 30, 2014. The governmental activities have \$3.54 million of general obligation bonds outstanding; business-type activities have \$7.65 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 FY14. 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 FY14. Despite the uncertainty, the FY14 state income tax and use tax increased by 2.9% from FY13 primarily due to an increase in the per capita of 2.8%. Current estimates indicate that the 2014 per-capita allocations will increase slightly in FY15.

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. The property tax receipts decreased slightly from FY13 to FY14.

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, 2014

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Current			
Cash and cash equivalents	\$ 8,812,943	\$ 1,631,972	\$ 10,444,915
Investments	14,114,747	9,709,618	23,824,365
Receivables			
Property taxes	5,454,188	-	5,454,188
Other taxes	3,065,102	-	3,065,102
Intergovernmental	55,391	-	55,391
Accounts	-	871,851	871,851
Accrued interest	15,079	-	15,079
Developer fees	259,025	-	259,025
Other	1,182,208	1,508,633	2,690,841
Inventory	187,290	-	187,290
Prepaid items	87,180	26,092	113,272
Restricted assets - investments	-	866,338	866,338
<b>Total current assets</b>	<b>33,233,153</b>	<b>14,614,504</b>	<b>47,847,657</b>
Noncurrent			
Investment in joint venture	290,653	-	290,653
Net pension asset	24,791	-	24,791
Capital assets (net of accumulated depreciation)			
Land	94,570,598	3,644,048	98,214,646
Construction in progress	2,595,097	965,120	3,560,217
Water and sewer system	-	43,896,111	43,896,111
Buildings	11,224,458	12,991,465	24,215,923
Improvements other than buildings	8,212,207	-	8,212,207
Vehicles and equipment	1,036,048	405,079	1,441,127
Streets/storm sewers/bridges	65,311,341	-	65,311,341
<b>Total capital assets (net)</b>	<b>182,949,749</b>	<b>61,901,823</b>	<b>244,851,572</b>
<b>Total noncurrent assets</b>	<b>183,265,193</b>	<b>61,901,823</b>	<b>245,167,016</b>
<b>Total assets</b>	<b>216,498,346</b>	<b>76,516,327</b>	<b>293,014,673</b>
<b>Deferred Outflows of Resources</b>			
Deferred loss on refunding	83,854	178,250	262,104

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Net Position - Continued  
 April 30, 2014

	Governmental Activities	Business-Type Activities	Total
<b>Liabilities</b>			
Current			
Accounts payable	\$ 2,162,581	\$ 489,468	\$ 2,652,049
Accrued interest	6,965	19,286	26,251
Unearned revenue - other	198,272	-	198,272
Other liabilities	12,353	-	12,353
Current portion of long-term liabilities	1,469,198	702,572	2,171,770
<b>Total current liabilities</b>	<b>3,849,369</b>	<b>1,211,326</b>	<b>5,060,695</b>
Noncurrent			
Long-term liabilities - due in more than one year	3,725,986	7,456,019	11,182,005
<b>Total liabilities</b>	<b>7,575,355</b>	<b>8,667,345</b>	<b>16,242,700</b>
<b>Deferred Inflows of Resources</b>			
Fiscal year 2015 property tax levy	5,454,187	-	5,454,187
<b>Net Position</b>			
Net investment in capital assets	179,276,332	54,136,285	233,412,617
Restricted for			
Cemetery purposes	292,602	-	292,602
Grant programs	2,016,690	-	2,016,690
Debt service	-	866,338	866,338
Unrestricted	21,967,034	13,024,609	34,991,643
<b>Total net position</b>	<b>\$ 203,552,658</b>	<b>\$ 68,027,232</b>	<b>\$ 271,579,890</b>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Activities  
Year Ended April 30, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 4,538,905	\$ 886,332	\$ 126,913	\$ -
Public safety	8,842,616	1,062,432	67,367	-
Public works	10,521,914	27,637	1,023,957	1,616,727
Debt service - interest and fees	160,780	-	-	-
<b>Total governmental activities</b>	<b>24,064,215</b>	<b>1,976,401</b>	<b>1,218,237</b>	<b>1,616,727</b>
Business-type activities				
Waterworks and sewerage	8,487,380	6,073,440	687,145	-
<b>Total</b>	<b>\$ 32,551,595</b>	<b>\$ 8,049,841</b>	<b>\$ 1,905,382</b>	<b>\$ 1,616,727</b>

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 (as restated)
Net position - ending

See Notes to Financial Statements.

Net (Expense), Revenue and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (3,525,660)	\$ -	\$ (3,525,660)
(7,712,817)	-	(7,712,817)
(7,853,593)	-	(7,853,593)
(160,780)	-	(160,780)
<u>(19,252,850)</u>	<u>-</u>	<u>(19,252,850)</u>
-	(1,726,795)	(1,726,795)
<u>(19,252,850)</u>	<u>(1,726,795)</u>	<u>(20,979,645)</u>
5,874,845	-	5,874,845
62,522	-	62,522
3,105,250	742,925	3,848,175
998,361	-	998,361
537,421	-	537,421
47,153	-	47,153
28,211	-	28,211
7,023,869	-	7,023,869
3,393,115	-	3,393,115
475,276	-	475,276
(219,130)	(205,050)	(424,180)
7,688	118,600	126,288
<u>21,334,581</u>	<u>656,475</u>	<u>21,991,056</u>
2,081,731	(1,070,320)	1,011,411
<u>201,470,927</u>	<u>69,097,552</u>	<u>270,568,479</u>
<u>\$ 203,552,658</u>	<u>\$ 68,027,232</u>	<u>\$ 271,579,890</u>

Village of Algonquin, Illinois

Balance Sheet - Governmental Funds

April 30, 2014

	General Fund	Street Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 3,632,330	\$ 2,863,911	\$ 2,316,702	\$ 8,812,943
Investments	8,954,388	4,130,750	1,029,609	14,114,747
Receivables				
Property taxes	5,454,188	-	-	5,454,188
Other taxes	2,881,228	174,268	9,606	3,065,102
Intergovernmental	-	-	55,391	55,391
Accrued interest	15,079	-	-	15,079
Developer fees	153,496	-	105,529	259,025
Other	325,909	851,102	-	1,177,011
Prepaid items	87,013	-	167	87,180
Total assets	<u>\$ 21,503,631</u>	<u>\$ 8,020,031</u>	<u>\$ 3,517,004</u>	<u>\$ 33,040,666</u>
<b>Liabilities</b>				
Accounts payable	\$ 330,691	\$ 1,613,049	\$ 8,318	\$ 1,952,058
Unearned revenue	198,272	-	-	198,272
Other liabilities	12,353	-	-	12,353
Total liabilities	<u>541,316</u>	<u>1,613,049</u>	<u>8,318</u>	<u>2,162,683</u>
<b>Deferred Inflows of Resources</b>				
Fiscal year 2015 property tax levy	5,454,187	-	-	5,454,187
Unavailable revenues	765,731	320,405	105,529	1,191,665
Total deferred inflows of resources	<u>6,219,918</u>	<u>320,405</u>	<u>105,529</u>	<u>6,645,852</u>
<b>Fund Balances</b>				
Nonspendable	87,013	-	167	87,180
Restricted	-	-	2,309,292	2,309,292
Assigned	-	6,086,577	1,093,698	7,180,275
Unassigned	14,655,384	-	-	14,655,384
Total fund balances	<u>14,742,397</u>	<u>6,086,577</u>	<u>3,403,157</u>	<u>24,232,131</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 21,503,631</u>	<u>\$ 8,020,031</u>	<u>\$ 3,517,004</u>	<u>\$ 33,040,666</u>

See Notes to Financial Statements.

Village of Algonquin, Illinois

**Reconciliation of the Balance Sheet - Governmental Funds  
to the Statement of Net Position  
April 30, 2014**

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Total fund balances-governmental funds	\$ 24,232,131
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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.	182,843,549
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Deferred loss on refunding of debt is not considered to represent a financial resource and, therefore, is not reported in the governmental funds.	83,854
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Revenues in the Statement of Activities that do not provide current financial resources are deferred inflows of resources in the funds.	1,191,665
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Investment in joint venture is not considered to represent a financial resource and, therefore, is not reported in the funds.	290,653
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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
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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	(6,965)
Net other post-employment benefit obligation	(255,062)
Compensated absences	(1,182,851)
Unamortized bond premium	(120,621)
Net pension asset	24,791
Capital lease	(91,650)
General obligation bonds payable	<u>(3,545,000)</u>

Net position of governmental activities	<u>\$ 203,552,658</u>
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See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances –  
 Governmental Funds  
 Year Ended April 30, 2014

	General Fund	Street Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Charges for services	\$ 309,702	\$ -	\$ 23,950	\$ 333,652
Licenses and permits	407,800	-	-	407,800
Intergovernmental, grants and contributions	430,491	85,167	922,880	1,438,538
Fines, fees and forfeitures	749,287	-	-	749,287
Property taxes	5,874,845	-	-	5,874,845
Other taxes	11,147,317	4,401,900	28,211	15,577,428
Investment income (loss)	(237,424)	11,742	6,552	(219,130)
Miscellaneous	243,243	-	20,159	263,402
<b>Total revenues</b>	<b>18,925,261</b>	<b>4,498,809</b>	<b>1,001,752</b>	<b>24,425,822</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	4,247,086	-	32,170	4,279,256
Public safety	8,787,750	-	-	8,787,750
Public works	4,767,532	1,704,894	594,185	7,066,611
<b>Debt service</b>				
Principal	-	-	620,000	620,000
Capital lease principal	14,615	-	-	14,615
Interest and fiscal charges	3,475	-	149,812	153,287
Capital outlay	323,626	1,719,153	11,804	2,054,583
<b>Total expenditures</b>	<b>18,144,084</b>	<b>3,424,047</b>	<b>1,407,971</b>	<b>22,976,102</b>
Excess (deficiency) of revenues over expenditures	781,177	1,074,762	(406,219)	1,449,720
<b>Other financing sources (uses)</b>				
Issuance of refunding bonds	-	-	2,885,000	2,885,000
Premium on issuance	-	-	119,392	119,392
Payment to refunded bonds escrow agent	-	-	(2,992,328)	(2,992,328)
Proceeds from capital leases	106,265	-	-	106,265
Transfers in	-	-	850,000	850,000
Transfers out	(850,000)	-	-	(850,000)
<b>Total other financing sources (uses)</b>	<b>(743,735)</b>	<b>-</b>	<b>862,064</b>	<b>118,329</b>
Net change in fund balances	37,442	1,074,762	455,845	1,568,049
Fund balances - beginning	14,704,955	5,011,815	2,947,312	22,664,082
Fund balances - ending	\$ 14,742,397	\$ 6,086,577	\$ 3,403,157	\$ 24,232,131

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, 2014**

Net change in fund balances-total governmental funds	\$ 1,568,049
Amounts reported for governmental activities in the Statement of	
Activities are different because:	
<p>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. (\$2,325,451 current additions less \$3,971,020 depreciation.)</p>	
	(1,645,569)
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Change in unavailable revenues	77,467
Contributions of capital assets	1,546,415
<p>Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the Statement of Net Position however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position.</p>	
Issuance of refunding bonds	(2,885,000)
Debt premium on issuance	(119,392)
Payment of principal on bonds	620,000
Payment to refunded bonds escrow agent	2,992,328
<p>Capital lease proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the Statement of Net Position entering a capital lease increases long-term liabilities and does not affect the Statement of Activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position.</p>	
Capital lease proceeds	(106,265)
Payment of principal on lease	14,615
<p>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:</p>	
Increase in investment in joint venture	96,242
Increase in net pension asset	4,817
Increase in net other post-employment benefit obligation	(86,841)
Decrease in compensated absences	12,358
Decrease in accrued interest	5,532
Amortization of bond premium, bond discount	9,577
Amortization of deferred loss on refunding	(22,602)
Change in net position of governmental activities	<u>\$ 2,081,731</u>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Net Position - Proprietary Funds

April 30, 2014

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service Funds
<b>Assets</b>		
Current		
Cash and cash equivalents	\$ 1,631,972	\$ -
Investments	9,709,618	-
Receivables		
Accounts	871,851	5,197
Other	1,508,633	
Prepaid items	26,092	-
Inventory	-	187,290
Restricted assets - investments	866,338	-
Total current assets	<u>14,614,504</u>	<u>192,487</u>
Capital assets (net of accumulated depreciation)		
Land	3,644,048	-
Construction in progress	965,120	-
Water and sewer system	43,896,111	-
Buildings	12,991,465	-
Machinery and equipment	405,079	106,200
Total noncurrent assets	<u>61,901,823</u>	<u>106,200</u>
Total assets	<u>76,516,327</u>	<u>298,687</u>
<b>Deferred Outflows of Resources</b>		
Deferred loss on refunding	<u>178,250</u>	-

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Net Position - Proprietary Funds - Continued  
 April 30, 2014

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service Funds
<b>Liabilities</b>		
Current		
Accounts payable	\$ 489,468	\$ 210,523
Accrued interest	19,286	-
Current portion of long-term liabilities	702,572	-
Total current liabilities	<u>1,211,326</u>	<u>210,523</u>
Noncurrent		
Long-term liabilities - due in more than one year	<u>7,456,019</u>	-
Total liabilities	<u>8,667,345</u>	<u>210,523</u>
<b>Net Position</b>		
Net investment in capital assets	54,136,285	106,200
Restricted for debt service	866,338	-
Unrestricted	<u>13,024,609</u>	<u>(18,036)</u>
Total net position	<u>\$ 68,027,232</u>	<u>\$ 88,164</u>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds  
Year Ended April 30, 2014

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service Funds
Operating revenues		
Charges for services		
Water and sewer revenue	\$ 5,860,953	\$ -
Meter sales	11,375	-
Connection fees	45,967	-
Administration fee	72,766	-
Maintenance billings	-	2,157,297
Miscellaneous	82,379	14,336
Total operating revenues	<u>6,073,440</u>	<u>2,171,633</u>
Operating expenses excluding depreciation	<u>4,684,650</u>	<u>2,159,833</u>
Operating income before depreciation	1,388,790	11,800
Depreciation	<u>3,426,935</u>	<u>11,800</u>
Operating loss	<u>(2,038,145)</u>	<u>-</u>
Nonoperating revenues (expenses)		
Home rule sales tax	742,925	-
Insurance proceeds	6,032	-
Contributions - developers	687,145	-
Investment income (loss)	(205,050)	-
Interest expense and fiscal agent fees	(375,795)	-
Gain on disposal of capital assets	112,568	-
Total nonoperating revenues (expenses)	<u>967,825</u>	<u>-</u>
Change in net position	(1,070,320)	-
Net position - beginning as restated	<u>69,097,552</u>	<u>88,164</u>
Net position - ending	<u>\$ 68,027,232</u>	<u>\$ 88,164</u>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Cash Flows – Proprietary Funds  
Year Ended April 30, 2014

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service Funds
<hr/>		
Cash flows from operating activities		
Cash received from customers	\$ 6,095,277	\$ -
Cash paid to suppliers	(2,104,613)	(1,320,937)
Cash paid to employees	(2,444,844)	(797,470)
Cash received for interfund services provided	-	2,179,645
Net cash provided by operating activities	<u>1,545,820</u>	<u>61,238</u>
Cash flows from noncapital financing activities		
Home rule sales tax received	961,141	-
Net cash flows provided by noncapital financing activities	<u>961,141</u>	<u>-</u>
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(1,336,255)	(118,000)
Proceeds from sales of capital assets	115,162	-
Interest paid on bonds	(481,193)	-
Principal paid on general obligation bond maturities	(8,265,000)	-
Proceeds from issuance of general obligation refunding bonds	7,893,857	-
Net cash flows (used for) capital and related financing activities	<u>(2,073,429)</u>	<u>(118,000)</u>
Cash flows from investing activities		
Purchase of investments	(8,143,487)	-
Sale of investments	4,264,619	-
Interest on investments	105,862	-
Net cash flows (used for) investing activities	<u>(3,773,006)</u>	<u>-</u>
Net decrease in cash and equivalents	(3,339,474)	(56,762)
Cash and equivalents - beginning	<u>4,971,446</u>	<u>56,762</u>
Cash and equivalents - ending	<u>\$ 1,631,972</u>	<u>\$ -</u>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Cash Flows – Proprietary Funds - Continued  
Year Ended April 30, 2014

	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)	\$ (2,032,027)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation	3,426,935	11,800
Changes in assets and liabilities		
Accounts receivable	15,719	8,012
Prepaid items	9,457	-
Inventory	-	(18,018)
Accounts payable	104,073	59,444
Compensated absences payable	21,663	-
Total adjustments	<u>3,577,847</u>	<u>61,238</u>
Net cash provided by operating activities	<u>\$ 1,545,820</u>	<u>\$ 61,238</u>
Supplemental schedule of noncash capital and related financing activities:		
Capital contributions	<u>\$ 687,059</u>	<u>\$ -</u>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Fiduciary Net Position  
April 30, 2014

	Pension Trust Fund	Agency Fund
<b>Assets</b>		
Cash and cash equivalents	\$ 65,392	\$ 729,207
Investments		
U.S. treasury securities	1,959,629	-
U.S. agency securities	1,758,106	-
Mutual funds	11,005,972	-
Illinois Funds	2,586	-
Illinois Metropolitan Investment Fund	40,893	-
Money market funds	556,178	-
Municipal and corporate bonds	3,995,232	-
Interest receivable	68,882	-
	<hr/>	<hr/>
<b>Total assets</b>	19,452,870	729,207
<b>Liabilities</b>		
Deposits	-	729,207
	<hr/>	<hr/>
<b>Net Position</b>		
Held in trust for pension benefits	<u>\$ 19,452,870</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, 2014

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Additions	
Contributions	
Employer	\$ 1,025,000
Employee	413,584
	<u>1,438,584</u>
Investment income (expense)	
Net appreciation in fair value of investments	850,734
Interest income	511,876
Less investment expenses	(74,718)
	<u>1,287,892</u>
<b>Total additions</b>	<u>2,726,476</u>
Deductions	
Administration	18,478
Pension benefits and refunds	359,724
<b>Total deductions</b>	<u>378,202</u>
<b>Change in net position</b>	2,348,274
Net position - beginning	<u>17,104,596</u>
Net position - ending	<u>\$ 19,452,870</u>

See Notes to Financial Statements.

## Village of Algonquin, Illinois

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies

##### (a) Reporting Entity

The Village of Algonquin (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. 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

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#### 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 Donations 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.

## Village of Algonquin, Illinois

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

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

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.

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.

The Governmental Accounting Standards Board (GASB) has issued Statement No. 65, *Items Previously Recorded as Assets and Liabilities* (GASB 65), which was adopted by the Village for the year ended April 30, 2014. GASB 65 now establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. In accordance with GASB 65 the Village now reports both deferred inflows of resources and deferred outflows of resources on its financial statements. In addition, the impact of implementing this statement resulted in a restatement of the beginning Net Position for both Governmental Activities and Business-Type Activities. See Note 12 for details of the impact of this restatement.

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.

##### (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.

## Village of Algonquin, Illinois

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### (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 2013 property tax levy is levied to finance the operations of the fiscal year beginning May 1, 2014, the 2013 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.

##### (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.

Village of Algonquin, Illinois

Notes to Financial Statements

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**(h) Interfund Receivables/Payables (Continued)**

**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.

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

## Village of Algonquin, Illinois

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### (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.

##### (l) 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.

## Village of Algonquin, Illinois

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### (l) Net Position (Continued)

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.

##### (m) 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. Residual fund balances in these fund types that are not restricted or committed are reported as assigned.

***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.

## Village of Algonquin, Illinois

### Notes to Financial Statements

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#### **Note 1. Summary of Significant Accounting Policies (Continued)**

##### **(m) Fund Balances (Continued)**

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.

##### **(n) 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.

#### **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, 2014, cash and investments consisted of the following:

	Village	Fiduciary Activities		Total
		Pension Trust Fund	Agency Fund	
Demand deposits	\$ 3,327,695	\$ 65,392	\$ 729,207	\$ 4,122,294
Certificates of deposit	150,000	-	-	150,000
The Illinois Funds	6,977,768	2,586	-	6,980,354
Illinois Metropolitan Investment Fund	21,764,744	40,893	-	21,805,637
Money market funds	139,451	556,178	-	695,629
U.S. treasury securities	-	1,959,629	-	1,959,629
U.S. agency securities	2,343,173	1,758,106	-	4,101,279
Corporate bonds	306,743	3,861,169	-	4,167,912
Municipal bonds	126,044	134,063	-	260,107
Mutual funds - equity	-	11,005,972	-	11,005,972
Total	<u>\$ 35,135,618</u>	<u>\$ 19,383,988</u>	<u>\$ 729,207</u>	<u>\$ 55,248,813</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. See Note 14 on page 58 for more information relating to the value of IMET.

#### *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. The government does not have a deposit policy for custodial credit risk. 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, 2014, the Village was not exposed to custodial credit risk as they 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, 2014, 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	\$ 2,343,173	\$ 19	\$ 1,119,826	\$ 650,425	\$ 572,903
Corporate bonds	306,743	151,973	154,770	-	-
Municipal bonds	126,044	126,044	-	-	-
Illinois Metropolitan Investment Fund	21,764,744	21,764,744	-	-	-
<b>Total investments</b>	<b>\$ 24,540,704</b>	<b>\$ 22,042,780</b>	<b>\$ 1,274,596</b>	<b>\$ 650,425</b>	<b>\$ 572,903</b>

\* Table excludes money market funds and Illinois Funds which are 2a-7 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, 2014, 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	\$ 1,959,629	\$ -	\$ 833,237	\$ 795,321	\$ 331,071
U.S. agency securities	1,758,106	-	906,098	420,352	431,656
Corporate bonds	3,861,169	134,756	2,420,965	913,992	391,456
Municipal bonds	134,063	85,292	48,771	-	-
Illinois Metropolitan Investment Fund	40,893	-	40,893	-	-
<b>Total investments</b>	<b>\$ 7,753,860</b>	<b>\$ 220,048</b>	<b>\$ 4,249,964</b>	<b>\$ 2,129,665</b>	<b>\$ 1,154,183</b>

\* 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

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#### 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. The Illinois Metropolitan Investment Fund (IMET) is rated Aaa by Moody's. The Village's money market fund is not rated.

As of April 30, 2014, 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	\$ 2,343,173	\$ -	\$ 835,689	\$ -	\$ 1,507,484
Corporate bonds	306,743	-	151,973	154,770	-
Municipal bonds	126,044	-	-	126,044	-
	<u>\$ 2,775,960</u>	<u>\$ -</u>	<u>\$ 987,662</u>	<u>\$ 280,814</u>	<u>\$ 1,507,484</u>

As of April 30, 2014, 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	\$ 2,343,173	\$ 835,689	\$ -	\$ -	\$ 1,507,484
Corporate bonds	306,743	-	-	306,743	-
Municipal bonds	126,044	-	75,584	50,460	-
	<u>\$ 2,775,960</u>	<u>\$ 835,689</u>	<u>\$ 75,584</u>	<u>\$ 357,203</u>	<u>\$ 1,507,484</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 Illinois Metropolitan Investment Fund (IMET) is rated Aaa by Moody'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, 2014, 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	\$ 1,758,106	\$ 1,058,416	\$ -	\$ -	\$ -	\$ 699,690
Corporate bonds	3,861,169	174,861	457,520	1,788,584	1,355,256	84,948
Municipal bonds	134,063	85,292	-	-	48,771	-
	<u>\$ 5,753,338</u>	<u>\$ 1,318,569</u>	<u>\$ 457,520</u>	<u>\$ 1,788,584</u>	<u>\$ 1,404,027</u>	<u>\$ 784,638</u>

As of April 30, 2014, 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	\$ 1,758,106	\$ 1,058,416	\$ -	\$ -	\$ -	\$ 699,690
Corporate bonds	3,861,169	174,861	457,520	1,788,584	1,355,256	84,948
Municipal bonds	134,063	85,292	48,771	-	-	-
	<u>\$ 5,753,338</u>	<u>\$ 1,318,569</u>	<u>\$ 506,291</u>	<u>\$ 1,788,584</u>	<u>\$ 1,355,256</u>	<u>\$ 784,638</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.

**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 guaranteed by the U.S. government) that exceeded 5% of Plan net position as of April 30, 2014.

Issuer	Fair Value	Percentage of Net Position
Federal National Mortgage Association	\$ 1,136,025	5.84%

**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	\$ 94,567,598	\$ 3,000	\$ -	\$ 94,570,598
Construction in progress	566,138	2,028,959	-	2,595,097
Total capital assets not being depreciated	<u>95,133,736</u>	<u>2,031,959</u>	<u>-</u>	<u>97,165,695</u>
Capital assets being depreciated:				
Buildings	15,976,573	-	-	15,976,573
Improvements other than buildings	15,422,499	-	-	15,422,499
Vehicles and equipment	6,095,217	414,492	335,078	6,174,631
Streets/storm sewers/bridges	103,001,418	1,543,415	-	104,544,833
	<u>140,495,707</u>	<u>1,957,907</u>	<u>335,078</u>	<u>142,118,536</u>
Less accumulated depreciation for:				
Buildings	4,433,107	319,008	-	4,752,115
Improvements other than buildings	6,461,668	748,624	-	7,210,292
Vehicles and equipment	5,144,117	329,544	335,078	5,138,583
Streets/storm sewers/bridges	36,647,848	2,585,644	-	39,233,492
	<u>52,686,740</u>	<u>3,982,820</u>	<u>335,078</u>	<u>56,334,482</u>
Total capital assets being depreciated, net	<u>87,808,967</u>	<u>(2,024,913)</u>	<u>-</u>	<u>85,784,054</u>
Governmental activities capital assets, net	<u>\$ 182,942,703</u>	<u>\$ 7,046</u>	<u>\$ -</u>	<u>\$ 182,949,749</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	407,255	557,865	-	965,120
Total capital assets not being depreciated	<u>4,051,303</u>	<u>557,865</u>	<u>-</u>	<u>4,609,168</u>
Capital assets being depreciated:				
Water and sewer system	89,101,211	1,102,059	-	90,203,270
Buildings	17,403,306	-	-	17,403,306
Machinery and equipment	1,294,422	363,390	324,216	1,333,596
	<u>107,798,939</u>	<u>1,465,449</u>	<u>324,216</u>	<u>108,940,172</u>
Less accumulated depreciation for:				
Water and sewer system	43,294,865	3,012,294	-	46,307,159
Buildings	4,063,775	348,066	-	4,411,841
Machinery and equipment	1,183,564	66,575	321,622	928,517
	<u>48,542,204</u>	<u>3,426,935</u>	<u>321,622</u>	<u>51,647,517</u>
Total capital assets being depreciated, net	<u>59,256,735</u>	<u>(1,961,486)</u>	<u>2,594</u>	<u>57,292,655</u>
Business-type activities capital assets, net	<u>\$ 63,308,038</u>	<u>\$ (1,403,621)</u>	<u>\$ 2,594</u>	<u>\$ 61,901,823</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	\$ 301,684	\$ -
Public safety	31,585	-
Public works	3,649,551	-
Water and sewer	-	3,426,935
	<u>\$ 3,982,820</u>	<u>\$ 3,426,935</u>

**Note 5. Capital Lease**

The Village of Algonquin entered into a lease agreement as lessee for financing 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	\$ 106,265
Less: accumulated depreciation	<u>(21,253)</u>
Total	<u>\$ 85,012</u>

The future minimum lease obligations and net present value of the minimum lease payments as of April 30, 2014 are as follows:

Year ending April 30,	Future Obligations
2015	\$ 24,120
2016	24,120
2017	24,120
2018	24,120
2019	6,032
Less: amount representing interest	<u>(10,862)</u>
Present value of minimum lease payments	<u>\$ 91,650</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 2014:

	Balance May 1, 2013	Additions	Retirements	Balance April 30, 2014	Amounts due within one year
<b>Governmental activities:</b>					
Capital lease	\$ -	\$ 106,265	\$ 14,615	91,650	\$ 19,757
General obligation bonds Unamortized	4,215,000	2,885,000	3,555,000	3,545,000	670,000
Bond discount	(10,660)	-	(10,660)	-	-
Bond premium	12,138	119,392	10,909	120,621	-
Compensated absences	1,195,209	1,433,570	1,445,928	1,182,851	779,441
Other postemployment benefits	168,221	101,653	14,812	255,062	-
Total governmental activities	<u>5,579,908</u>	<u>4,645,880</u>	<u>5,030,604</u>	<u>5,195,184</u>	<u>1,469,198</u>
<b>Business-type activities:</b>					
General obligation bonds Unamortized	8,265,000	7,645,000	8,265,000	7,645,000	570,000
Bond discount	(31,107)	-	(31,107)	-	-
Bond premium	-	307,146	8,358	298,788	-
Compensated absences	193,140	252,872	231,209	214,803	132,572
Total business-type activities	<u>8,427,033</u>	<u>8,205,018</u>	<u>8,473,460</u>	<u>8,158,591</u>	<u>702,572</u>
Total Village long-term liabilities	<u>\$ 14,006,941</u>	<u>\$ 12,850,898</u>	<u>\$ 13,504,064</u>	<u>\$ 13,353,775</u>	<u>\$ 2,171,770</u>

Village of Algonquin, Illinois

Notes to Financial Statements

**Note 6. Long-Term Obligations (Continued)**

The following is a summary of debt transactions of the Village for the year ended April 30, 2014:

*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
<b>Governmental Activities:</b>					
<b>General Obligation Bonds -</b>					
General Obligation Refunding Series 2005B \$2,925,999 Crossover Bonds due in annual installments of \$535,000 to \$650,000; interest at 3.875% to 3.95% through April 1, 2020	Debt Service	\$ 2,935,000	\$ -	\$ 2,935,000	\$ -
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	1,280,000	-	620,000	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	-	2,885,000
Total General Obligation Bonds - Governmental Activities		\$ 4,215,000	\$ 2,885,000	\$ 3,555,000	\$ 3,545,000

Description	Fund Debt Retired By	Balances May 1	Additions	Retirements	Balances April 30
<b>Business-type Activities:</b>					
<b>General Obligation Bonds -</b>					
General Obligation Sewer Series 2005A \$9,000,000 Bonds due in annual installments of \$25,000 to \$875,000 interest at 3.5% to 4.15%, through April 1, 2025	Waterworks and Sewerage	\$ 8,265,000	\$ -	\$ 8,265,000	\$ -
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	-	7,645,000
Total General Obligation Bonds - Business type Activities		\$ 8,265,000	\$ 7,645,000	\$ 8,265,000	\$ 7,645,000

**Village of Algonquin, Illinois**

**Notes to Financial Statements**

**Note 6. Long-Term Obligations (Continued)**

*Advance Refunding*

On December 3, 2013, the Village issued \$7,645,000 in general obligation refunding bonds, Series 2013, with a varying interest rate of 3.00 to 3.25 percent in order to advance refund \$7,740,000 of outstanding general obligation bonds, Series 2005A, with an average interest rate of 4.03 percent. The net proceeds of \$7,893,857 (includes premium of \$307,146, a transfer from a prior issue of \$95,000, less issuance costs of \$153,289) were deposited in an irrevocable trust with an escrow agent.

On January 21, 2014, the Village issued \$2,885,000 in general obligation refunding bonds, Series 2014A, with varying interest rates of 2.00 to 2.50 percent in order to advance refund \$2,935,000 of outstanding general obligation bonds, Series 2005B, with an average interest rate of 3.91 percent. The net proceeds of \$2,992,328 (including premium of \$119,392, a transfer from prior issue of \$47,000, less issuance costs of \$59,064) were deposited in an irrevocable trust with an escrow agent.

As a result, the Series 2005A and 2005B bonds are considered to be defeased and the liability for those bonds has been removed from the Statement of Net Position. The Village defeased the Series 2005A bonds in order to defer cash flows to future fiscal years. The Village defeased the Series 2005B bonds in order to take advantage of more favorable interest rates which provide the Village with cost savings. The Village reduced its total debt service payments for 2005A and 2005B over the next 12 years by approximately \$889,544 and achieved an economic gain of approximately \$789,546 (difference between the net present value of the debt service payments on the old and the new debt).

*Debt Service Requirements*

As of April 30, 2014, debt service requirements to maturity on the outstanding general obligation bonds, including interest, are as follows:

Year April 30	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 670,000	\$ 83,575	\$ 753,575	\$ 570,000	\$ 231,425	\$ 801,425
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
2020-2024	615,000	15,375	630,375	3,750,000	481,225	4,231,225
2025	-	-	-	830,000	26,975	856,975
<b>Total</b>	<b>\$ 3,545,000</b>	<b>\$ 287,250</b>	<b>\$ 3,832,250</b>	<b>\$ 7,645,000</b>	<b>\$ 1,488,325</b>	<b>\$ 9,133,325</b>

## Village of Algonquin, Illinois

### Notes to Financial Statements

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#### Note 7. Transfers

Transfers for the Village at April 30, 2014 are shown as follows:

Transfer In Fund	Transfer Out Fund	Detail	Transfers From/To Other Funds
Debt Service	General	Debt service	\$ 850,000
Total			\$ 850,000

#### 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.

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.

**Village of Algonquin, Illinois**

**Notes to Financial Statements**

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**Note 8. Other Information (Continued)**

**(b) Joint Venture (Continued)**

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.

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 \$573,359 to SEECOM during fiscal year 2014. In addition, the Village's equity interest in the joint venture's net position of \$290,653 is recorded within the governmental activities column of the Statement of Net Position.

## Village of Algonquin, Illinois

### Notes to Financial Statements

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#### 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](http://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 2014 and 2013 were 11.35 percent and 11.42 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.

###### Annual Pension Cost

The Village's annual pension cost of \$765,961 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)
2014	\$ 765,961	100 %	\$ -
2013	719,245	100	-
2012	671,105	100	-

The required contributions for 2014 and 2013 were determined as part of the December 31, 2012 and 2011 actuarial valuations 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 30-year basis.

Village of Algonquin, Illinois

Notes to Financial Statements

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**Note 9. Employee Retirement Systems and Plans (Continued)**

**(a) Illinois Municipal Retirement (Continued)**

**Funded Status and Funding Progress**

As of December 31, 2013, the most recent actuarial valuation date, the regular plan was 76.51 percent funded. The actuarial liability for benefits was \$16,141,660 and the actuarial value of assets was \$12,350,381, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,791,279. The covered payroll (annual payroll of active employees covered by the plan) was \$6,661,875 and the ratio of the UAAL to the covered payroll was 57 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**

**Defined Benefit Pension Plan for Public Safety Employees**

The information included in this section pertaining to the Village's Police Pension Fund, is based on the actuarial valuation performed on April 30, 2014. 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, 2014.

**Plan Description**

Police sworn personnel are covered by the Police Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. The plan does not issue a stand-alone financial report.

At April 30, 2014, the Police Pension Plan membership consisted of:

Retirees, disabled participants and beneficiaries of deceased retirees currently receiving benefits	7
Terminated plan members entitled to but not yet receiving benefits	3
Current employees:	
Vested	38
Nonvested	8
	<hr/>
<b>Total</b>	<b>56</b>
	<hr/> <hr/>

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.

Village of Algonquin, Illinois

Notes to Financial Statements

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**Note 9. Employee Retirement Systems and Plans (Continued)**

**(b) Police Pension (Continued)**

**Plan Description (Continued)**

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. 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.

Funding Policy

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 Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. By the year 2040, the Village's contributions must accumulate to the point where the past service cost for the plan is 90 percent funded. Actuarial valuations are performed annually.

Annual Pension Cost and Net Pension Asset

At April 30, 2014, the Village's annual pension cost was \$1,020,183. The Village's actual contribution was \$1,025,000. For a description of the significant actuarial assumptions, see "Significant Actuarial Assumptions."

The net pension asset at April 30, 2014, was \$24,791. It was comprised of the following:

Net pension asset (obligation):	
Annual required contribution	\$ 1,020,427
Interest on net pension obligation	(1,398)
Adjustment to annual required contribution	1,154
	<hr/>
Annual pension cost	1,020,183
Contributions made	1,025,000
	<hr/>
Increase in net pension asset	4,817
Net pension asset at beginning of year	19,974
	<hr/>
Net pension asset at end of year	<u>\$ 24,791</u>

The net pension asset of \$24,791 is reported by the Village in the government-wide Statement of Net Position.

Village of Algonquin, Illinois

Notes to Financial Statements

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**Note 9. Employee Retirement Systems and Plans (Continued)**

**(b) Police Pension (Continued)**

**Plan Description (Continued)**

Three-Year Trend Information for the Police Pension

Police Pension	For Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
	2014	\$ 1,020,183	100.5	\$ 24,791
	2013	986,818	99.2	19,974
	2012	933,004	100.5	27,869

**Reserves and Concentration of Investments**

There are no assets legally reserved for purposes other than the payment of plan member benefits. There are no long-term contracts for contributions. See Note 3, page 40 for details on the concentration of investments held by the Pension Plan.

**Summary of Significant Accounting Policies and Plan Asset Matters**

**Basis of Accounting**

The financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Administrative costs for the police pension plan are financed primarily through investment earnings.

**Significant Actuarial Assumptions**

The annual required contribution for the year ended April 30, 2014 was determined as part of the April 30, 2014 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, 2014 was 19 years.

Village of Algonquin, Illinois

Notes to Financial Statements

**Note 9. Employee Retirement Systems and Plans (Continued)**

**(b) Police Pension (Continued)**

**Funded Status and Funding Progress – Pension Trust Fund**

The funded status of the Police Pension Plan as of April 30, 2014, 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)
\$ 19,452,870	\$ 33,225,843	\$ 13,772,973	58.55 %	\$ 4,193,768	328.42 %

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.

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

**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 2014, the Village contributed \$14,812 to the plan, representing a portion of current premiums (approximately 39 percent of total premiums). Plan members receiving benefits contributed \$23,394 (approximately 61 percent of the total premiums, through their required contribution of \$412.45 per month for retiree-only coverage, \$878.16 for retiree and dependent coverage and \$1,343.32 for family coverage.

**Village of Algonquin, Illinois**

**Notes to Financial Statements**

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

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	7,570
Adjustment to annual required contribution	<u>(9,883)</u>
Annual OPEB cost	101,653
Contribution made	<u>14,812</u>
Increase in net OPEB obligation	86,841
Net OPEB obligation beginning of year	<u>168,221</u>
Net OPEB obligation end of year	<u><u>\$ 255,062</u></u>

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
4/30/2014	\$ 103,966	14.2%	\$ 255,062
4/30/2013	56,407	26.3%	168,221
4/30/2012	56,407	23.1%	125,780

Funded Status and Funding Progress

As of 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.

## Village of Algonquin, Illinois

### Notes to Financial Statements

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

##### 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, 2014, was 30 years.

Village of Algonquin, Illinois

Notes to Financial Statements

**Note 11. Fund Balance Reporting**

At April 30, 2014, the Village's fund balances were classified as follows:

	General Fund	Street Improvement Fund	Nonmajor Governmental Funds	Totals
<b>Nonspendable:</b>				
Prepays	\$ 87,013	\$ -	\$ 167	\$ 87,180
Total Nonspendable	<u>87,013</u>	<u>-</u>	<u>167</u>	<u>87,180</u>
<b>Restricted purpose:</b>				
Street Improvements	-	-	2,016,690	2,016,690
Cemetery Purposes	-	-	292,602	292,602
Total Restricted	<u>-</u>	<u>-</u>	<u>2,309,292</u>	<u>2,309,292</u>
<b>Assigned purpose:</b>				
Debt Service	-	-	767,180	767,180
Capital Projects	-	6,086,577	326,518	6,413,095
Total Assigned	<u>-</u>	<u>6,086,577</u>	<u>1,093,698</u>	<u>7,180,275</u>
Total Unassigned	<u>14,953,584</u>	<u>-</u>	<u>-</u>	<u>14,953,584</u>
Total Fund Balances	<u>\$ 15,040,597</u>	<u>\$ 6,086,577</u>	<u>\$ 3,403,157</u>	<u>\$ 24,530,331</u>

**Note 12. Restatement for Implementation of New Accounting Standard**

As shown in the following table, the financial statements of the Village have been restated for the implementation of GASB Statement No. 65, *Items Previously Recorded as Assets and Liabilities* (GASB 65). The Statement of Net Position of the Village and the Statement of Net Position – Proprietary Funds both included deferred bond issuance costs included within deferred charges within Governmental Activities as well as Business-Type Activities of the Village in previous years. However, pursuant to GASB 65 applicable debt issuance costs should now be recognized in the period incurred as an expense. Therefore, the Village restated the Net Position of the Governmental and Business-Type Activities of the financial statements as follows:

	Governmental Activities	Business-Type Activities - Waterworks and Sewerage Fund	Total
Net Position, April 30, 2013	\$ 201,503,174	\$ 69,141,131	\$ 270,644,305
Implementation of GASB 65	(32,247)	(43,579)	(75,826)
Net Position, April 30, 2013, as restated	<u>\$ 201,470,927</u>	<u>\$ 69,097,552</u>	<u>\$ 270,568,479</u>

## Village of Algonquin, Illinois

### Notes to Financial Statements

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#### **Note 13. New Accounting Pronouncements**

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

GASB Statement No. 67, *Financial Reporting for Pension Plans*, will be effective for the Village beginning with its year ended April 30, 2015. This statement builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. This statement enhances note disclosures and RSI for both defined benefit and defined contribution pension plans and requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules.

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. 69, *Government Combinations and Disposals of Government Operations*, will be effective for the Village beginning with its year ended April 30, 2015. This statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this statement, the term *government combinations* includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations.

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, will be effective for the Village beginning with its year ended April 30, 2015. This statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The amount of the liability to be recognized should be the discounted present value of the best estimate of the future outflows related to the guarantee expected to be incurred. When there is no best estimate but a range of the estimated future outflows can be established, the amount of the liability to be recognized should be the discounted present value of the minimum amount within the range.

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 67 and 68 will have a material impact on the Village's financial statements. Management has not currently determined what impact, if any, the other Statements may have on its financial statements.

**Village of Algonquin, Illinois**

**Notes to Financial Statements**

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**Note 14. Subsequent Events**

On September 29, 2014, the Illinois Metropolitan Investment Trust (IMET) was informed of defaults on certain guaranteed loans in its Convenience Fund in the amount of \$50,442,143 caused by a fraud on the part of First Farmer's Financial (FFF), a USDA approved lender. As of April 30, 2014, the amount of fraudulent FFF loans in the Convenience Fund was \$37,472,649, or 2.67%. This resulted in a decrease in the value of the Village's IMET investment in the amounts of \$596,400 as of April 30, 2014.

**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, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>				
Charges for services	\$ 320,700	\$ 320,700	\$ 214,464	\$ (106,236)
Licenses and permits	355,000	355,000	407,800	52,800
Intergovernmental, grants and contributions	375,000	427,793	418,953	(8,840)
Fines, fees and forfeitures	787,100	787,100	749,287	(37,813)
Property taxes	5,851,000	5,851,000	5,874,845	23,845
Other taxes	11,126,100	11,126,100	11,100,164	(25,936)
Investment income	55,000	55,000	(240,903)	(295,903)
Miscellaneous	19,100	74,605	221,358	146,753
<b>Total revenues</b>	<b>18,889,000</b>	<b>18,997,298</b>	<b>18,745,968</b>	<b>(251,330)</b>
<b>Expenditures</b>				
Current				
General government	4,304,550	4,332,009	4,037,006	295,003
Public safety	8,981,000	9,035,321	8,787,750	247,571
Public works	4,641,850	4,737,167	4,708,117	29,050
Debt service				
Capital lease principal	24,000	14,615	14,615	-
Interest and fiscal charges	-	3,475	3,475	-
Capital outlay	220,000	349,178	323,626	25,552
<b>Total expenditures</b>	<b>18,171,400</b>	<b>18,471,765</b>	<b>17,874,589</b>	<b>597,176</b>
Excess of revenues over expenditures	717,600	525,533	871,379	345,846
<b>Other financing sources (uses)</b>				
Proceed from capital leases	-	106,265	106,265	-
Transfers in	45,000	45,000	45,000	-
Transfers out	(872,600)	(872,600)	(932,900)	(60,300)
<b>Total other financing sources (uses)</b>	<b>(827,600)</b>	<b>(721,335)</b>	<b>(781,635)</b>	<b>(60,300)</b>
Net change in fund balance	<u>\$ (110,000)</u>	<u>\$ (195,802)</u>	89,744	<u>\$ 285,546</u>
Fund balance - beginning			<u>13,276,426</u>	
GAAP adjustment - addition of other general non-operating accounts			<u>1,376,227</u>	
Fund balance - ending			<u>\$ 14,742,397</u>	

See Note to Required Supplementary Information.

**Village of Algonquin, Illinois**

**Pension Benefits  
Required Supplementary Information  
Analysis of Funding Progress**

**April 30, 2014**

**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)
12/31/2013	\$ 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
12/31/2011	10,561,882	13,884,364	3,322,482	76.07	6,344,834	52.37
12/31/2010	9,391,075	12,282,617	2,891,542	76.46	6,396,770	45.20
12/31/2009	8,633,022	11,359,422	2,726,400	76.00	6,404,433	42.57
12/31/2008	7,874,381	10,034,268	2,159,887	78.47	6,093,439	35.45

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$14,205,037. On a market basis, the funded ratio would be 88.00%.

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)
05/01/2014	\$ 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
05/01/2009	8,910,341	19,682,936	10,772,595	45.27	3,799,289	283.54

**Village of Algonquin, Illinois**

**Required Supplementary Information  
Employer Contributions**

**April 30, 2014**

**Illinois Municipal Retirement Fund**

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed	
12/31/2013	\$ 760,786	100	%
12/31/2012	687,482	100	
12/31/2011	672,552	100	
12/31/2010	657,588	100	
12/31/2009	600,735	100	
12/31/2008	563,034	100	

**Police Pension Fund**

Fiscal Year End Date	Annual Required Contribution	Percentage Contributed	
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	
04/30/2009	676,838	100	

**Village of Algonquin, Illinois**

**Other Post-Employment Benefits  
Required Supplementary Information**

**Year Ended April 30, 2014**

**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
4/30/2014	\$ 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
4/30/2009	45,654	55.7

**Village of Algonquin, Illinois**

**Notes to Required Supplementary Information**

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**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.

## **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, 2014

	Operating	Public Swimming Pool	Special Revenue	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 3,010,250	\$ 9,575	\$ 612,505	\$ 3,632,330
Investments	8,123,523	-	830,865	8,954,388
Receivables				
Property taxes	5,454,188	-	-	5,454,188
Other taxes	2,881,228	-	-	2,881,228
Accrued interest	15,079	-	-	15,079
Developer fees	153,496	-	-	153,496
Other	321,925	-	3,984	325,909
Prepaid items	86,082	931	-	87,013
Total assets	<u>\$ 20,045,771</u>	<u>\$ 10,506</u>	<u>\$ 1,447,354</u>	<u>\$ 21,503,631</u>
<b>Liabilities</b>				
Accounts payable	\$ 330,054	\$ 637	\$ -	\$ 330,691
Unearned revenue	117,276	7,946	73,050	198,272
Other liabilities	12,353	-	-	12,353
Total liabilities	<u>459,683</u>	<u>8,583</u>	<u>73,050</u>	<u>541,316</u>
<b>Deferred Inflows of Resources</b>				
Fiscal year 2015 property tax levy	5,454,187	-	-	5,454,187
Unavailable revenues	765,731	-	-	765,731
Total deferred inflows of resources	<u>6,219,918</u>	<u>-</u>	<u>-</u>	<u>6,219,918</u>
<b>Fund Balances</b>				
Nonspendable	86,082	931	-	87,013
Unassigned	13,280,088	992	1,374,304	14,655,384
Total fund balances	<u>13,366,170</u>	<u>1,923</u>	<u>1,374,304</u>	<u>14,742,397</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 20,045,771</u>	<u>\$ 10,506</u>	<u>\$ 1,447,354</u>	<u>\$ 21,503,631</u>

Village of Algonquin, Illinois

**General Fund, by Account  
Combining Schedule of Revenues, Expenditures  
and Changes in Fund Balances  
Year Ended April 30, 2014**

	Operating	Public Swimming Pool	Special Revenue	Eliminations	Total
<b>Revenues</b>					
Charges for services	\$ 214,464	\$ 95,238	\$ -	\$ -	\$ 309,702
Licenses and permits	407,800	-	-	-	407,800
Intergovernmental, grants and contributions	418,953	-	11,538	-	430,491
Fines, fees and forfeitures	749,287	-	-	-	749,287
Property taxes	5,874,845	-	-	-	5,874,845
Other taxes	11,100,164	-	47,153	-	11,147,317
Investment income (loss)	(240,903)	2	3,477	-	(237,424)
Miscellaneous	221,358	21,885	-	-	243,243
<b>Total revenues</b>	<b>18,745,968</b>	<b>117,125</b>	<b>62,168</b>	<b>-</b>	<b>18,925,261</b>
<b>Expenditures</b>					
<b>Current</b>					
General government	4,037,006	199,261	10,819	-	4,247,086
Public safety	8,787,750	-	-	-	8,787,750
Public works	4,708,117	-	59,415	-	4,767,532
<b>Debt service</b>					
Capital lease principal	14,615	-	-	-	14,615
Interest fees and fiscal charges	3,475	-	-	-	3,475
Capital outlay	323,626	-	-	-	323,626
<b>Total expenditures</b>	<b>17,874,589</b>	<b>199,261</b>	<b>70,234</b>	<b>-</b>	<b>18,144,084</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>871,379</b>	<b>(82,136)</b>	<b>(8,066)</b>	<b>-</b>	<b>781,177</b>
<b>Other financing sources (uses)</b>					
Proceed from capital leases	106,265	-	-	-	106,265
Transfers in	45,000	82,900	-	(127,900)	-
Transfers out	(932,900)	-	(45,000)	127,900	(850,000)
<b>Total other financing sources (uses)</b>	<b>(781,635)</b>	<b>82,900</b>	<b>(45,000)</b>	<b>-</b>	<b>(743,735)</b>
<b>Net change in fund balances</b>	<b>89,744</b>	<b>764</b>	<b>(53,066)</b>	<b>-</b>	<b>37,442</b>
<b>Fund balances - beginning</b>	<b>13,276,426</b>	<b>1,159</b>	<b>1,427,370</b>	<b>-</b>	<b>14,704,955</b>
<b>Fund balances - ending</b>	<b>\$ 13,366,170</b>	<b>\$ 1,923</b>	<b>\$ 1,374,304</b>	<b>\$ -</b>	<b>\$ 14,742,397</b>

Village of Algonquin, Illinois

General Fund - Operating Account

Schedule of Revenues - Budget and Actual  
Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
<b>Charges for services</b>			
Building and zoning	\$ 5,000	\$ 5,000	\$ 8,201
Platting fees	1,000	1,000	2,080
Police training reimbursement	2,000	2,000	2,378
Snow plowing fees	1,000	1,000	-
Park usage fees	15,000	15,000	16,425
Recreation programs	213,000	213,000	85,899
Site development fee	500	500	2,475
Public art impact fee	700	700	-
Rental income	80,000	80,000	91,357
Historical commission	500	500	200
Subdivision signs	2,000	2,000	5,449
Total charges for services	<u>320,700</u>	<u>320,700</u>	<u>214,464</u>
<b>Licenses and permits</b>			
Liquor licenses	111,000	111,000	113,969
Building permits	200,000	200,000	235,783
Miscellaneous licenses	44,000	44,000	58,048
Total licenses and permits	<u>355,000</u>	<u>355,000</u>	<u>407,800</u>
<b>Intergovernmental, grants and contributions</b>			
Intergovernmental agreements	175,000	182,466	149,989
Grants - operating, public safety, general	92,000	110,355	106,590
Contributions	108,000	134,973	162,374
Total intergovernmental, grants and contributions	<u>375,000</u>	<u>427,793</u>	<u>418,953</u>
<b>Fines, fees and forfeitures</b>			
County court and drug fines	262,100	262,100	224,736
County prosecution fines	10,000	10,000	17,451
Police fines	22,000	22,000	9,032
Restitution - Court Cases	2,000	2,000	6,763
Police accident reports	4,000	4,000	4,504
Reports, maps and ordinances	1,000	1,000	3,111
Building permit fines	6,000	6,000	10,733

(Continued)

Village of Algonquin, Illinois

General Fund - Operating Account

Schedule of Revenues - Budget and Actual (Continued)

Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
Fines, fees and forfeitures (Continued)			
Towing and storage	\$ 45,000	\$ 45,000	\$ 38,720
Traffic light enforcement	370,000	370,000	339,300
Municipal fines	64,000	64,000	92,055
Maintenance fee	1,000	1,000	2,842
Administrative fees	-	-	40
Total fines, fees and forfeitures	<u>787,100</u>	<u>787,100</u>	<u>749,287</u>
Property taxes			
General	1,000,000	1,000,000	1,001,784
Road and bridge	370,000	370,000	384,059
Social security	630,000	630,000	631,125
Insurance	690,000	690,000	691,232
IMRF	420,000	420,000	420,751
School crossing	19,000	19,000	19,037
Police protection	1,695,000	1,695,000	1,698,021
ESDA	5,000	5,000	5,012
Police pension	1,022,000	1,022,000	1,023,824
Total property taxes	<u>5,851,000</u>	<u>5,851,000</u>	<u>5,874,845</u>
Other taxes			
Personal property replacement tax	58,100	58,100	62,522
Cable TV fees	500,000	500,000	475,276
Telecommunication tax	225,000	225,000	146,063
State income tax	2,983,000	2,983,000	3,389,969
Sales tax	7,360,000	7,360,000	7,026,334
Total other taxes	<u>11,126,100</u>	<u>11,126,100</u>	<u>11,100,164</u>
Investment income (expense)			
Net appreciation (depreciation) in fair value of investments	-	-	(337,287)
Interest income	55,000	55,000	96,384
Total investment income (loss)	<u>55,000</u>	<u>55,000</u>	<u>(240,903)</u>
Miscellaneous			
Other	19,100	74,605	221,358
Total revenues	<u>\$ 18,889,000</u>	<u>\$ 18,997,298</u>	<u>\$ 18,745,968</u>

Village of Algonquin, Illinois

General Fund - Operating Account

Schedule of Expenditures - Budget and Actual  
Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
Current			
General government			
Administration			
Personnel	\$ 1,445,000	\$ 1,445,000	\$ 1,467,186
Commodities	210,950	250,961	245,300
Contractual services	1,048,025	1,048,950	877,069
Other charges	265,275	226,050	112,852
Total administration	<u>2,969,250</u>	<u>2,970,961</u>	<u>2,702,407</u>
Community development			
Personnel	1,152,100	1,152,100	1,148,755
Commodities	29,820	29,820	22,606
Contractual services	122,800	148,548	121,999
Other charges	30,580	30,580	41,239
Total community development	<u>1,335,300</u>	<u>1,361,048</u>	<u>1,334,599</u>
Total general government	<u>4,304,550</u>	<u>4,332,009</u>	<u>4,037,006</u>
Public safety			
Police department			
Personnel	6,348,400	6,318,516	6,166,798
Commodities	241,010	285,047	252,880
Contractual services	1,286,140	1,326,308	1,280,998
Other charges	1,105,450	1,105,450	1,087,074
Total public safety	<u>8,981,000</u>	<u>9,035,321</u>	<u>8,787,750</u>
Public works			
Public works administration			
Personnel	523,750	523,750	521,664
Commodities	15,595	15,365	11,644
Contractual services	62,980	62,960	60,557
Other charges	11,875	13,350	10,869
Total public works administration	<u>614,200</u>	<u>615,425</u>	<u>604,734</u>

(Continued)

Village of Algonquin, Illinois

General Fund - Operating Account

Schedule of Expenditures - Budget and Actual (Continued)  
Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
Public works (Continued)			
Streets department			
Personnel	\$ 1,255,800	\$ 1,255,800	\$ 1,316,881
Commodities	128,270	188,412	206,634
Contractual services	895,305	902,805	844,621
Other charges	15,375	15,375	12,133
Total streets	<u>2,294,750</u>	<u>2,362,392</u>	<u>2,380,269</u>
Parks			
Personnel	1,146,000	1,146,000	1,128,794
Commodities	195,005	220,422	197,605
Contractual services	379,255	379,255	382,715
Other charges	12,640	13,673	14,000
Total parks	<u>1,732,900</u>	<u>1,759,350</u>	<u>1,723,114</u>
Total public works	<u>4,641,850</u>	<u>4,737,167</u>	<u>4,708,117</u>
Debt service			
Capital lease principal	24,000	14,615	14,615
Interest and fiscal charges	-	3,475	3,475
Total debt service	<u>24,000</u>	<u>18,090</u>	<u>18,090</u>
Capital outlay			
Public safety	-	106,265	106,265
Public works	220,000	152,913	152,913
Non-departmental	-	90,000	64,448
Total capital outlay	<u>220,000</u>	<u>349,178</u>	<u>323,626</u>
Total expenditures	<u>\$ 18,171,400</u>	<u>\$ 18,471,765</u>	<u>\$ 17,874,589</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, 2014

	Original Budget	Final Budget	Actual
Revenues			
Charges for services			
Swimming pool fees	\$ 38,000	\$ 38,000	\$ 37,715
Swimming daily fees	23,550	23,550	25,153
Swimming lessons	26,145	26,145	24,808
Concessions	12,000	12,000	7,562
Interest	5	5	2
Miscellaneous	26,500	26,500	21,885
Total revenues	<u>126,200</u>	<u>126,200</u>	<u>117,125</u>
Expenditures			
Current			
General government			
Personnel	92,240	92,240	81,175
Commodities	12,825	12,425	11,340
Contractual services	96,835	96,835	104,310
Other	2,400	2,800	2,436
Total expenditures	<u>204,300</u>	<u>204,300</u>	<u>199,261</u>
Deficiency of revenues over expenditures	(78,100)	(78,100)	(82,136)
Other financing sources			
Transfers in	78,100	78,100	82,900
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	764
Fund balance - beginning			<u>1,159</u>
Fund balance - ending			<u>\$ 1,923</u>

Village of Algonquin, Illinois

General Fund - Public Swimming Pool Account

Schedule of Expenditures - Budget and Actual  
Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
Expenditures			
Current			
General government			
Personnel			
Salary of pool employees	\$ 85,000	\$ 85,000	\$ 75,023
FICA	6,500	6,500	5,739
SUI	740	740	413
	<u>92,240</u>	<u>92,240</u>	<u>81,175</u>
Commodities			
Office supplies	700	1,000	922
Concessions	6,500	5,800	4,765
Small tools and equipment	5,625	5,625	5,653
	<u>12,825</u>	<u>12,425</u>	<u>11,340</u>
Contractual services			
Telephone	25	25	-
Gas-heat	3,200	3,200	2,957
Electricity	5,500	5,500	7,126
Water	4,300	4,300	3,233
Professional services	-	-	150
Maintenance	75,000	75,000	84,548
Insurance	8,810	8,810	6,296
	<u>96,835</u>	<u>96,835</u>	<u>104,310</u>
Other			
Travel/training/dues	800	500	615
Recreation programs	-	700	617
Uniforms and safety items	1,600	1,600	1,204
	<u>2,400</u>	<u>2,800</u>	<u>2,436</u>
Total expenditures	<u>\$ 204,300</u>	<u>\$ 204,300</u>	<u>\$ 199,261</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, 2014

	Original Budget	Final Budget	Actual
Revenues			
Contributions	\$ 80,000	\$ 80,000	\$ 11,538
Other taxes			
Hotel tax	60,000	60,000	47,153
Interest	7,000	7,000	3,477
Total revenues	<u>147,000</u>	<u>147,000</u>	<u>62,168</u>
Expenditures			
Current			
General government			
Regional marketing	13,000	13,000	10,819
Contractual services - impact fees	80,000	80,000	-
Public works			
Contractual services - snow removal	15,000	64,000	59,415
Total expenditures	<u>108,000</u>	<u>157,000</u>	<u>70,234</u>
Excess (deficiency) of revenues over expenditures	39,000	(10,000)	(8,066)
Other financing uses			
Transfers out	(45,000)	(45,000)	(45,000)
Net change in fund balance	<u>\$ (6,000)</u>	<u>\$ (55,000)</u>	(53,066)
Fund balance - beginning			<u>1,427,370</u>
Fund balance - ending			<u>\$ 1,374,304</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, 2014

	Original Budget	Final Budget	Actual
<b>Revenues</b>			
Contributions	\$ 460,000	\$ 460,000	\$ 85,167
Other taxes			
Home rule sales tax	2,944,500	2,944,500	3,008,628
Utility taxes	970,000	970,000	998,361
Telecommunication taxes	495,000	495,000	394,911
Investment income	10,000	10,000	11,742
<b>Total revenues</b>	<b>4,879,500</b>	<b>4,879,500</b>	<b>4,498,809</b>
<b>Expenditures</b>			
Public works			
Contractual services			
Legal services	4,000	4,000	8,591
Engineering services	686,500	851,500	629,768
Infrastructure maintenance	1,764,000	1,764,000	1,066,535
Capital outlay			
Capital improvements	7,000,000	6,867,000	1,719,153
<b>Total expenditures</b>	<b>9,454,500</b>	<b>9,486,500</b>	<b>3,424,047</b>
<b>Net change in fund balance</b>	<b>\$ (4,575,000)</b>	<b>\$ (4,607,000)</b>	<b>1,074,762</b>
Fund balance - beginning			<u>5,011,815</u>
Fund balance - ending			<u><u>\$ 6,086,577</u></u>

**NONMAJOR GOVERNMENTAL FUNDS – COMBINING STATEMENTS**

Village of Algonquin, Illinois

Nonmajor Governmental Funds  
 Combining Balance Sheet  
 April 30, 2014

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 2,304,878	\$ 1,177	\$ 10,647	\$ 2,316,702
Investments	241,635	766,003	21,971	1,029,609
Receivables				
Other taxes	9,606	-	-	9,606
Intergovernmental	55,391	-	-	55,391
Developer fees	-	-	105,529	105,529
Prepaid items	167	-	-	167
Total assets	<u>\$ 2,611,677</u>	<u>\$ 767,180</u>	<u>\$ 138,147</u>	<u>\$ 3,517,004</u>
<b>Liabilities</b>				
Accounts payable	<u>\$ 8,318</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,318</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues	<u>-</u>	<u>-</u>	<u>105,529</u>	<u>105,529</u>
<b>Fund Balances</b>				
Nonspendable	167	-	-	167
Restricted	2,309,292	-	-	2,309,292
Assigned	293,900	767,180	32,618	1,093,698
Total fund balances	<u>2,603,359</u>	<u>767,180</u>	<u>32,618</u>	<u>3,403,157</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,611,677</u>	<u>\$ 767,180</u>	<u>\$ 138,147</u>	<u>\$ 3,517,004</u>

Village of Algonquin, Illinois

**Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Year Ended April 30, 2014**

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Charges for services	\$ 23,950	\$ -	\$ -	\$ 23,950
Intergovernmental, grants and contributions	917,809	-	5,071	922,880
Other taxes	28,211	-	-	28,211
Investment income	1,192	924	4,436	6,552
Miscellaneous	20,159	-	-	20,159
<b>Total revenues</b>	<b>991,321</b>	<b>924</b>	<b>9,507</b>	<b>1,001,752</b>
<b>Expenditures</b>				
Current				
General government	31,010	1,160	-	32,170
Public works	594,185	-	-	594,185
Debt service				
Principal	-	620,000	-	620,000
Interest and fiscal charges	-	149,812	-	149,812
Capital outlay	-	-	11,804	11,804
<b>Total expenditures</b>	<b>625,195</b>	<b>770,972</b>	<b>11,804</b>	<b>1,407,971</b>
Excess (deficiency) of revenues over expenditures	366,126	(770,048)	(2,297)	(406,219)
<b>Other financing sources (uses)</b>				
Issuance of refunding bonds	-	2,885,000	-	2,885,000
Premium on issuance	-	119,392	-	119,392
Payments to refunding bonds escrow agent	-	(2,992,328)	-	(2,992,328)
Transfers in	-	850,000	-	850,000
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>862,064</b>	<b>-</b>	<b>862,064</b>
Net change in fund balances	366,126	92,016	(2,297)	455,845
Fund balances - beginning	2,237,233	675,164	34,915	2,947,312
Fund balances - ending	\$ 2,603,359	\$ 767,180	\$ 32,618	\$ 3,403,157

### **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 Algonquin Lakes Park, Hill Climb Park, Cornish Park, and Broadsmore Park.

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

Village of Algonquin, Illinois

Nonmajor Special Revenue Funds

Combining Balance Sheet

April 30, 2014

	Motor Fuel Tax	Parks	Cemetery	Totals
<b>Assets</b>				
Cash and cash equivalents	\$ 1,969,617	\$ 284,294	\$ 50,967	\$ 2,304,878
Investments	-	-	241,635	241,635
Receivables				
Other taxes	-	9,606	-	9,606
Intergovernmental	55,391	-	-	55,391
Prepaid items	-	-	167	167
Total assets	<u>\$ 2,025,008</u>	<u>\$ 293,900</u>	<u>\$ 292,769</u>	<u>\$ 2,611,677</u>
<b>Liabilities</b>				
Accounts payable	<u>\$ 8,318</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,318</u>
<b>Fund Balances</b>				
Nonspendable	-	-	167	167
Restricted	2,016,690	-	292,602	2,309,292
Assigned	-	293,900	-	293,900
Total fund balances	<u>2,016,690</u>	<u>293,900</u>	<u>292,769</u>	<u>2,603,359</u>
Total liabilities and fund balances	<u>\$ 2,025,008</u>	<u>\$ 293,900</u>	<u>\$ 292,769</u>	<u>\$ 2,611,677</u>

Village of Algonquin, Illinois

Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Year Ended April 30, 2014

	Motor Fuel Tax	Parks	Cemetery	Totals
<b>Revenues</b>				
Charges for services	\$ -	\$ -	\$ 23,950	\$ 23,950
Intergovernmental, grants and contributions	911,961	5,848	-	917,809
Other taxes	-	28,211	-	28,211
Interest	322	305	565	1,192
Miscellaneous	-	-	20,159	20,159
<b>Total revenues</b>	<b>912,283</b>	<b>34,364</b>	<b>44,674</b>	<b>991,321</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	-	-	31,010	31,010
Public works	477,508	116,677	-	594,185
<b>Total expenditures</b>	<b>477,508</b>	<b>116,677</b>	<b>31,010</b>	<b>625,195</b>
<b>Net change in fund balances</b>	<b>434,775</b>	<b>(82,313)</b>	<b>13,664</b>	<b>366,126</b>
<b>Fund balances - beginning</b>	<b>1,581,915</b>	<b>376,213</b>	<b>279,105</b>	<b>2,237,233</b>
<b>Fund balances - ending</b>	<b>\$ 2,016,690</b>	<b>\$ 293,900</b>	<b>\$ 292,769</b>	<b>\$ 2,603,359</b>

Village of Algonquin, Illinois

Motor Fuel Tax Fund

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental			
Motor fuel tax allotments	\$ 907,800	\$ 907,800	\$ 911,961
Interest	200	200	322
Total revenues	<u>908,000</u>	<u>908,000</u>	<u>912,283</u>
Expenditures			
Current			
Public works			
Materials	370,000	370,000	363,150
Engineering services	110,900	122,900	114,358
Total expenditures	<u>480,900</u>	<u>492,900</u>	<u>477,508</u>
Net change in fund balance	<u>\$ 427,100</u>	<u>\$ 415,100</u>	434,775
Fund balance - beginning			<u>1,581,915</u>
Fund balance - ending			<u>\$ 2,016,690</u>

Village of Algonquin, Illinois

Parks Fund

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
Revenues			
Contributions	\$ 135,000	\$ 135,000	\$ 5,848
Other taxes	-	-	28,211
Interest	100	100	305
Total revenues	<u>135,100</u>	<u>135,100</u>	<u>34,364</u>
Expenditures			
Current			
Public works			
Contractual services			
Tree planting	-	-	186
Wetland mitigation	117,000	117,000	100,060
Ecosystem maintenance	-	5,000	16,431
Engineering fees	20,000	20,000	-
Capital outlay			
Capital improvements	149,000	149,000	-
Total expenditures	<u>286,000</u>	<u>291,000</u>	<u>116,677</u>
Net change in fund balance	<u>\$ (150,900)</u>	<u>\$ (155,900)</u>	(82,313)
Fund balance - beginning			<u>376,213</u>
Fund balance - ending			<u>\$ 293,900</u>

Village of Algonquin, Illinois

Cemetery Fund

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
Revenues			
Charges for services			
Opening graves and closing crypts	\$ 9,000	\$ 9,000	\$ 14,950
Perpetual care	1,500	1,500	2,000
Sale of lots	4,000	4,000	7,000
Interest	1,050	1,050	565
Miscellaneous	20,100	20,100	20,159
Total revenues	<u>35,650</u>	<u>35,650</u>	<u>44,674</u>
Expenditures			
Current			
General government			
Commodities			
Supplies	4,450	4,450	-
Contractual services			
Professional services	21,700	21,700	20,550
Grave openings	8,000	8,000	9,275
Insurance	1,500	1,500	1,185
Total expenditures	<u>35,650</u>	<u>35,650</u>	<u>31,010</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	13,664
Fund balance - beginning			<u>279,105</u>
Fund balance - ending			<u>\$ 292,769</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, 2014

	Original Budget	Final Budget	Actual
<b>Revenues</b>			
Investment income (net)	\$ 9,500	\$ 9,500	\$ 924
<b>Expenditures</b>			
Current			
General government			
Contractual Services	-	-	1,160
Debt service			
Principal	660,000	660,000	620,000
Interest fees and fiscal charges	139,500	139,500	149,812
Total expenditures	<u>799,500</u>	<u>799,500</u>	<u>770,972</u>
Deficiency of revenues over expenditures	(790,000)	(790,000)	(770,048)
<b>Other financing sources (uses)</b>			
Issuance of refunding bonds	-	-	2,885,000
Premium on issuance	-	-	119,392
Payment to refunded bonds escrow agent	-	-	(2,992,328)
Transfers in	794,500	794,500	850,000
Total other financing sources (uses)	<u>794,500</u>	<u>794,500</u>	<u>862,064</u>
Net change in fund balance	<u>\$ 4,500</u>	<u>\$ 4,500</u>	92,016
Fund balance - beginning			<u>675,164</u>
Fund balance - ending			<u>\$ 767,180</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, 2014

	Original Budget	Final Budget	Actual
Revenues			
Contributions	\$ -	\$ -	\$ 5,071
Interest	200	200	4,436
Total revenues	<u>200</u>	<u>200</u>	<u>9,507</u>
Expenditures			
Capital outlay	<u>-</u>	<u>13,000</u>	<u>11,804</u>
Net change in fund balance	<u>\$ 200</u>	<u>\$ (12,800)</u>	<u>(2,297)</u>
Fund balance - beginning			<u>34,915</u>
Fund balance - ending			<u>\$ 32,618</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, 2014

	Operations and Maintenance	Improvements and Extension	Totals
<b>Assets</b>			
Current Assets			
Cash and cash equivalents	\$ 558,502	\$ 1,073,470	\$ 1,631,972
Investments	3,883,886	5,825,732	9,709,618
Receivables			
Accounts	868,069	3,782	871,851
Other	840	1,507,793	1,508,633
Prepaid items	26,092	-	26,092
Restricted assets - investments	866,338	-	866,338
<b>Total current assets</b>	<b>6,203,727</b>	<b>8,410,777</b>	<b>14,614,504</b>
Capital assets			
Cost	113,549,340	-	113,549,340
Accumulated depreciation	(51,647,517)	-	(51,647,517)
<b>Total capital assets, net</b>	<b>61,901,823</b>	<b>-</b>	<b>61,901,823</b>
Total assets	<b>68,105,550</b>	<b>8,410,777</b>	<b>76,516,327</b>
<b>Deferred Outflows of Resources</b>			
Deferred loss on refunding	178,250	-	178,250
<b>Liabilities</b>			
Current Liabilities			
Accounts payable	278,952	210,516	489,468
Accrued interest	19,286	-	19,286
Compensated absences payable	132,572	-	132,572
General obligation bonds payable	570,000	-	570,000
<b>Total current liabilities</b>	<b>1,000,810</b>	<b>210,516</b>	<b>1,211,326</b>
Noncurrent Liabilities			
Compensated absences payable	82,231	-	82,231
General obligation bonds payable, net	7,373,788	-	7,373,788
<b>Total noncurrent liabilities</b>	<b>7,456,019</b>	<b>-</b>	<b>7,456,019</b>
Total liabilities	<b>8,456,829</b>	<b>210,516</b>	<b>8,667,345</b>
<b>Net Position</b>			
Net investment in capital assets	54,136,285	-	54,136,285
Restricted for debt service	866,338	-	866,338
Unrestricted	4,824,348	8,200,261	13,024,609
Total net position	<b>\$ 59,826,971</b>	<b>\$ 8,200,261</b>	<b>\$ 68,027,232</b>

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, 2014

	Original Budget	Final Budget	Actual
Operating revenues			
Charges for services			
Water and sewer revenue	\$ 5,750,000	\$ 5,750,000	\$ 5,860,953
Meter sales	5,000	5,000	11,375
Connection fees	100,000	100,000	45,967
Administration fee	88,000	88,000	72,766
Miscellaneous	106,000	106,000	82,379
Total operating revenues	6,049,000	6,049,000	6,073,440
Operating expenses excluding depreciation	6,864,230	7,469,230	4,684,650
Nonoperating revenues (expenses)			
Home rule sales tax	981,500	981,500	742,925
Insurance proceeds	-	-	6,032
Contributions - developers	-	-	687,145
Investment income (loss)	38,050	38,050	(205,050)
Principal retirement	(550,000)	(550,000)	(8,265,000)
Interest expense and fiscal agent fees	(318,200)	(318,200)	(375,795)
Total nonoperating revenues (expenses)	151,350	151,350	(7,409,743)

Village of Algonquin, Illinois

Waterworks and Sewerage Fund

Schedule of Operating Expenses - Budget and Actual (Budgetary Basis)

Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
Water department			
Personnel			
IMRF	\$ 110,000	\$ 110,000	\$ 104,234
FICA	73,700	73,700	70,687
Unemployment tax	1,250	1,250	1,037
Health insurance	205,500	205,500	194,048
Salaries	935,900	935,900	940,944
Overtime	29,000	29,000	41,570
Commodities			
Meters	70,000	70,000	52,397
Office supplies	500	500	500
Materials	22,800	22,800	14,248
Chemicals	199,080	197,080	171,599
Postage	29,300	29,300	24,128
Small tools and equipment	16,750	16,750	12,749
Fuel	30,900	30,900	25,052
Lab supplies	8,850	10,850	9,064
Office furniture and equipment	23,300	23,300	15,792
Contractual services			
Utilities	329,525	335,525	282,106
Legal services	4,000	4,000	94
Audit services	4,440	4,440	4,437
Engineering services	23,500	23,500	5,115
Professional services	106,920	106,920	99,591
Insurance	112,520	112,520	87,277
Publications	1,325	1,325	445
Printing	4,700	4,700	3,280
Equipment rental	1,050	1,050	1,026
Physical exams	400	400	-
Travel/training/dues	9,755	9,755	7,436
Bank processing fees	19,000	19,000	17,127
Uniforms	9,000	9,000	5,665
Maintenance			
Wells	70,600	70,600	42,982
Booster station	14,700	14,700	3,983
Maintenance storage facility	7,100	7,100	3,960
Treatment facility	22,200	22,200	21,152
Distribution system	37,850	37,850	34,654

(Continued)

Village of Algonquin, Illinois

Waterworks and Sewerage Fund

Schedule of Operating Expenses - Budget and Actual (Budgetary Basis) (Continued)  
Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
Water department (continued)			
Contractual services (continued)			
Maintenance (continued)			
Vehicle maintenance	\$ 30,000	\$ 30,000	\$ 22,759
Building maintenance	77,000	77,000	68,975
Maintenance - Other	630	630	420
Equipment maintenance	57,000	57,000	33,244
Capital outlay	187,500	187,500	732,165
Less fixed assets capitalized	(187,500)	(187,500)	(732,165)
Total water department	<u>2,700,045</u>	<u>2,706,045</u>	<u>2,423,777</u>
Sewer department			
Personnel			
IMRF	95,000	95,000	89,240
FICA	63,700	63,700	60,373
Unemployment tax	1,000	1,000	874
Health insurance	149,000	149,000	135,260
Salaries	803,900	803,900	801,349
Overtime	29,000	29,000	26,891
Commodities			
Meters	70,000	70,000	52,357
Office supplies	500	500	500
Materials	19,200	19,200	3,682
Chemicals	78,000	48,000	47,313
Postage	26,000	26,000	24,758
Small tools and equipment	13,530	13,530	10,421
Fuel	34,900	34,900	22,521
Lab supplies	6,650	6,650	6,575
Office furniture and equipment	28,500	28,500	20,219
Contractual services			
Utilities	460,720	460,720	340,146
Legal services	4,000	4,000	94
Audit services	4,440	4,440	4,437
Engineering services	19,000	19,000	717
Professional services	91,530	91,030	69,456

(Continued)

Village of Algonquin, Illinois

Waterworks and Sewerage Fund

Schedule of Operating Expenses - Budget and Actual (Budgetary Basis) (Continued)  
Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
Sewer department (continued)			
Contractual services (continued)			
Insurance	\$ 113,780	\$ 113,780	\$ 83,214
Publications	925	925	445
Printing	1,200	1,200	518
Equipment rental	1,300	1,300	302
Physical exams	400	400	-
Sludge removal	117,240	117,240	90,936
Travel/training/dues	10,240	10,240	9,916
Bank processing fees	19,000	19,000	17,127
Uniforms	8,800	8,800	6,173
Maintenance			
Treatment facility	107,000	131,000	130,811
Lift station	35,450	36,150	36,014
Collection station	17,300	17,100	942
Vehicle maintenance	28,500	28,500	21,102
Building maintenance	66,000	66,000	86,793
Equipment maintenance	44,500	44,500	53,083
Other	880	880	655
Capital outlay	596,920	596,920	604,090
Less capitalized amounts	(596,920)	(596,920)	(604,090)
Total sewer department	<u>2,571,085</u>	<u>2,565,085</u>	<u>2,255,214</u>
Non departmental			
Contractual services			
Engineering services	89,600	89,600	(85,415)
Legal services	3,500	3,500	2,434
Infrastructure maintenance	1,500,000	2,105,000	88,640
Total non departmental	<u>1,593,100</u>	<u>2,198,100</u>	<u>5,659</u>
Total operating expenses	<u>\$ 6,864,230</u>	<u>\$ 7,469,230</u>	<u>\$ 4,684,650</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, 2014

	Building Service Fund	Vehicle Maintenance Fund	Total
<b>Assets</b>			
Current			
Cash and cash equivalents	\$ -	\$ -	\$ -
Receivables			
Accounts	-	5,197	5,197
Inventory	71,054	116,236	187,290
	<u>71,054</u>	<u>121,433</u>	<u>192,487</u>
Capital Assets			
Cost	20,439	118,000	138,439
Accumulated depreciation	(20,439)	(11,800)	(32,239)
<b>Total capital assets, net</b>	<u>-</u>	<u>106,200</u>	<u>106,200</u>
Total assets	<u>\$ 71,054</u>	<u>\$ 227,633</u>	<u>\$ 298,687</u>
<b>Liabilities</b>			
Current			
Accounts payable	<u>\$ 71,054</u>	<u>\$ 139,469</u>	<u>\$ 210,523</u>
<b>Net Position</b>			
Net investment in capital assets	-	106,200	106,200
Unrestricted	-	(18,036)	(18,036)
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, 2014

	Building Service Fund	Vehicle Maintenance Fund	Total
Operating revenues			
Maintenance billings	\$ 734,479	\$ 1,422,818	\$ 2,157,297
Miscellaneous	2,976	11,360	14,336
Total operating revenues	<u>737,455</u>	<u>1,434,178</u>	<u>2,171,633</u>
Operating expenses	<u>737,455</u>	<u>1,422,378</u>	<u>2,159,833</u>
Operating income before depreciation	-	11,800	11,800
Depreciation	<u>-</u>	<u>11,800</u>	<u>11,800</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, 2014

	Building Service Fund	Vehicle Maintenance Fund	Total
Cash flows from operating activities			
Cash paid to suppliers	\$ (380,498)	\$ (940,439)	\$ (1,320,937)
Cash paid to employees	(356,957)	(440,513)	(797,470)
Cash received for interfund services provided	737,455	1,442,190	2,179,645
Net cash provided by operating activities	<u>-</u>	<u>61,238</u>	<u>61,238</u>
Cash flows from capital and related financing activities			
Acquisition of capital assets	<u>-</u>	<u>(118,000)</u>	<u>(118,000)</u>
Net decrease in cash and equivalents	-	(56,762)	(56,762)
Cash and equivalents - beginning	<u>-</u>	<u>56,762</u>	<u>56,762</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	-	11,800	11,800
Changes in assets and liabilities			
Accounts receivable	-	8,012	8,012
Inventory	(3,941)	(14,077)	(18,018)
Accounts payable	3,941	55,503	59,444
Total adjustments	<u>-</u>	<u>61,238</u>	<u>61,238</u>
Net cash provided by operating activities	<u>\$ -</u>	<u>\$ 61,238</u>	<u>\$ 61,238</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, 2014

	Original Budget	Final Budget	Actual
Operating revenues			
Charges for services			
Maintenance billings	\$ 724,100	\$ 724,100	\$ 734,479
Miscellaneous	-	-	2,976
Total operating revenues	<u>724,100</u>	<u>724,100</u>	<u>737,455</u>
Operating expenses			
Personnel	363,200	363,200	356,957
Contractual services	9,425	9,025	6,714
Supplies and materials	148,175	148,175	125,536
Maintenance	191,800	191,800	240,127
Other charges	11,500	11,900	8,121
Total operating expenses	<u>724,100</u>	<u>724,100</u>	<u>737,455</u>
Operating income	<u>\$ -</u>	<u>\$ -</u>	-
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, 2014

	Original Budget	Final Budget	Actual
Operating expenses			
Personnel			
IMRF	\$ 29,500	\$ 29,500	\$ 28,096
FICA	19,500	19,500	18,939
SUI	500	500	285
Health insurance	58,500	58,500	50,054
Salaries	241,500	241,500	239,672
Overtime	13,700	13,700	19,911
	<u>363,200</u>	<u>363,200</u>	<u>356,957</u>
Contractual services			
Telephone	5,375	5,375	4,948
Natural gas	2,000	2,000	983
Professional services	300	300	212
Publications	450	450	158
Printing and advertising	400	400	64
Equipment rental	500	500	349
Physical exams	400	-	-
	<u>9,425</u>	<u>9,025</u>	<u>6,714</u>
Supplies and materials			
Office supplies	400	400	151
Postage	50	50	84
Building supplies	137,125	137,125	115,168
Tools, equipment and supplies	4,000	4,000	3,685
Fuel	4,100	4,100	3,948
Office furniture and equipment	2,500	2,500	2,500
	<u>148,175</u>	<u>148,175</u>	<u>125,536</u>
Maintenance			
Vehicle maintenance	5,500	5,500	16,056
Equipment maintenance	3,000	3,000	422
Outsourced building maintenance	182,500	182,500	223,063
Office equipment maintenance	800	800	586
	<u>191,800</u>	<u>191,800</u>	<u>240,127</u>

(Continued)

Village of Algonquin, Illinois

Internal Service Fund - Building Service Fund

Schedule of Operating Expenses - Budget and Actual (Continued)  
Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
Operating expenses (continued)			
Other charges			
Travel, training and dues	\$ 7,300	\$ 7,300	\$ 4,993
Uniforms and safety items	4,200	4,600	3,128
	<u>11,500</u>	<u>11,900</u>	<u>8,121</u>
Total operating expenses	<u>\$ 724,100</u>	<u>\$ 724,100</u>	<u>\$ 737,455</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, 2014

	Original Budget	Final Budget	Actual
Operating revenues			
Charges for services			
Maintenance billings	\$ 908,900	\$ 908,900	\$ 893,956
Fire district fuel	69,000	69,000	58,438
Fuel billings	351,100	351,100	327,717
Fleet Maintenance	126,800	126,800	142,707
Miscellaneous	-	-	11,360
Total operating revenues	<u>1,455,800</u>	<u>1,455,800</u>	<u>1,434,178</u>
Operating expenses			
Personnel	437,500	437,500	440,513
Contractual services	27,880	27,480	21,175
Supplies and materials	777,420	776,220	789,907
Maintenance	92,300	92,300	163,396
Other charges	10,700	12,300	7,387
Total operating expenses	<u>1,345,800</u>	<u>1,345,800</u>	<u>1,422,378</u>
Operating income	<u>\$ 110,000</u>	<u>\$ 110,000</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, 2014

	Original Budget	Final Budget	Actual
Operating expenses			
Personnel			
IMRF	\$ 36,000	\$ 36,000	\$ 34,255
FICA	24,000	24,000	23,041
SUI	500	500	356
Health insurance	65,000	65,000	68,091
Salaries	303,000	303,000	300,125
Overtime	9,000	9,000	14,645
	<u>437,500</u>	<u>437,500</u>	<u>440,513</u>
Contractual services			
Telephone	6,030	6,030	5,657
Natural gas	2,000	2,000	1,114
Professional services	10,300	10,300	8,575
Publications	7,350	7,350	4,189
Printing and advertising	400	400	81
Equipment rental	1,400	1,400	1,559
Physical exams	400	-	-
	<u>27,880</u>	<u>27,480</u>	<u>21,175</u>
Supplies and materials			
Office supplies	400	400	124
Postage	100	100	92
Tools, equipment and supplies	6,900	6,900	4,922
Fuel	428,600	427,400	389,038
Oil, lubricants, and fluids	341,420	341,420	395,731
	<u>777,420</u>	<u>776,220</u>	<u>789,907</u>
Maintenance			
Vehicle maintenance	10,000	10,000	11,228
Equipment maintenance	4,500	4,500	4,629
Building maintenance	37,000	37,000	50,521
Outsourced vehicle and equipment maintenance	40,000	40,000	96,430
Office equipment maintenance	800	800	588
	<u>92,300</u>	<u>92,300</u>	<u>163,396</u>

(Continued)

Village of Algonquin, Illinois

Internal Service Fund - Vehicle Maintenance Fund

Schedule of Operating Expenses - Budget and Actual (Continued)

Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
Operating expenses (continued)			
Other charges			
Travel, training and dues	\$ 4,000	\$ 4,000	\$ 1,044
Uniforms and safety items	6,700	8,300	6,343
	<u>10,700</u>	<u>12,300</u>	<u>7,387</u>
Capital outlay			
Capital purchase	110,000	110,000	118,000
Less fixed assets capitalized	<u>(110,000)</u>	<u>(110,000)</u>	<u>(118,000)</u>
	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>\$ 1,345,800</u>	<u>\$ 1,345,800</u>	<u>\$ 1,422,378</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, 2014

	Original Budget	Final Budget	Actual
<hr/>			
Additions			
Contributions			
Employer	\$ 1,021,000	\$ 1,021,000	\$ 1,025,000
Employee	434,000	434,000	413,584
	<u>1,455,000</u>	<u>1,455,000</u>	<u>1,438,584</u>
Investment income			
Net appreciation in fair value of investments	767,285	-	850,734
Interest income	715	768,000	511,876
Less investment expenses	(70,000)	(70,000)	(74,718)
	<u>698,000</u>	<u>698,000</u>	<u>1,287,892</u>
Total additions	<u>2,153,000</u>	<u>2,153,000</u>	<u>2,726,476</u>
Deductions			
Administration	37,000	37,000	18,478
Pension benefits and refunds	272,000	360,000	359,724
Total deductions	<u>309,000</u>	<u>397,000</u>	<u>378,202</u>
Change in net position	<u>\$ 1,844,000</u>	<u>\$ 1,756,000</u>	2,348,274
Net position - beginning			<u>17,104,596</u>
Net position - ending			<u>\$ 19,452,870</u>

Village of Algonquin, Illinois

Agency Fund - Developer Deposits Fund

Statement of Changes in Assets and Liabilities  
Year Ended April 30, 2014

	Balance, May 1	Additions	Deductions	Balance, April 30
<b>Assets</b>				
Cash and cash equivalents	\$ 816,606	\$ 186,107	\$ 273,506	\$ 729,207
<b>Liabilities</b>				
Deposits	\$ 816,606	\$ 186,107	\$ 273,506	\$ 729,207

**OTHER SUPPLEMENTARY INFORMATION**

**Village of Algonquin, Illinois**

**Long-Term Debt Requirements**

**General Obligation Refunding Bonds - Series 2010 Debt Service**

**April 30, 2014**

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Date of issue	June 1, 2010
Date of maturity	April 1, 2015
Interest rate	2.00% -3.00%
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	
2015	\$ 9,900	\$ 660,000	\$ 9,900	\$ 679,800

Village of Algonquin, Illinois

Long Term Debt Requirements

General Obligation Refunding Bonds, Series 2013 Water & Sewer

April 30, 2014

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 Interest	April 1		Total
		Principal	Interest	
2015	\$ 115,713	\$ 570,000	\$ 115,713	\$ 801,425
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>\$ 744,163</u>	<u>\$ 7,645,000</u>	<u>\$ 744,163</u>	<u>\$ 9,133,325</u>

Village of Algonquin, Illinois

Long Term Debt Requirements

General Obligation Refunding Bonds - Series 2014A Debt Service

April 30, 2014

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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 Interest	April 1		Total
		Principal	Interest	
2015	\$ 31,888	\$ 10,000	\$ 31,888	\$ 73,775
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>\$ 133,725</u>	<u>\$ 2,885,000</u>	<u>\$ 133,725</u>	<u>\$ 3,152,450</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>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	<b>102-110</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the factors affecting the Village's ability to generate its property and sales taxes.	<b>111-116</b>
<b>Debt Capacity</b> 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.	<b>117-120</b>
<b>Demographic and Economic Information</b> 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.	<b>121-123</b>
<b>Operating Information</b> 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.	<b>124-126</b>

### 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**

	2005	2006	2007	2008
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$ 183,288,852	\$ 183,861,002	\$ 181,289,769	\$ 185,504,246
Restricted	1,109,522	1,143,253	6,507,747	5,615,510
Unrestricted	7,566,682	10,808,910	8,448,512	6,286,051
<b>Total Governmental Activities</b>	<b>\$ 191,965,056</b>	<b>\$ 195,813,165</b>	<b>\$ 196,246,028</b>	<b>\$ 197,405,807</b>
<b>Business-type Activities</b>				
Net Investment in Capital Assets	\$ 66,551,245	\$ 62,525,345	\$ 67,709,537	\$ 74,099,851
Restricted	676,399	1,150,782	785,446	804,588
Unrestricted	5,103,093	9,517,702	6,085,709	2,254,481
<b>Total Business-type Activities</b>	<b>\$ 72,330,737</b>	<b>\$ 73,193,829</b>	<b>\$ 74,580,692</b>	<b>\$ 77,158,920</b>
<b>Total</b>				
Net Investment in Capital Assets	\$ 249,840,097	\$ 246,386,347	\$ 248,999,306	\$ 259,604,097
Restricted	1,785,921	2,294,035	7,293,193	6,420,098
Unrestricted	12,669,775	20,326,612	14,534,221	8,540,532
<b>Total Primary Government</b>	<b>\$ 264,295,793</b>	<b>\$ 269,006,994</b>	<b>\$ 270,826,720</b>	<b>\$ 274,564,727</b>

Data Source

Audited Financial Statements

Fiscal Year						
2009	2010	2011	2012	2013	2014	
\$ 179,027,466	\$ 176,607,596	\$ 175,520,012	\$ 177,068,931	\$ 181,677,850	\$ 179,276,332	
6,281,547	7,376,272	7,503,441	2,266,916	1,860,785	2,309,292	
7,633,118	7,055,416	8,606,808	15,271,626	17,932,292	21,967,034	
<u>\$ 192,942,131</u>	<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>	
\$ 73,436,233	\$ 63,883,643	\$ 60,837,070	\$ 57,848,186	\$ 55,074,145	\$ 54,136,285	
406,000	920,000	817,000	1,523,000	872,688	866,338	
4,727,611	5,027,550	7,274,331	8,938,628	13,150,719	13,024,609	
<u>\$ 78,569,844</u>	<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>	
\$ 252,463,699	\$ 240,491,239	\$ 236,357,082	\$ 234,917,117	\$ 236,751,995	\$ 233,412,617	
6,687,547	8,296,272	8,320,441	3,789,916	2,733,473	3,175,630	
12,360,729	12,082,966	15,881,139	24,210,254	31,083,011	34,991,643	
<u>\$ 271,511,975</u>	<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>	

**Village of Algonquin, Illinois**  
**Change in Net Position**  
**Last Ten Fiscal Years**

	2005	2006	2007	2008
<b>Expenses</b>				
Governmental Activities				
General Government	\$ 5,287,207	\$ 4,382,832	\$ 7,486,196	\$ 4,378,364
Public Safety	5,681,127	6,808,738	6,023,380	6,987,936
Public Works	7,383,989	7,655,372	7,567,852	9,844,829
Interest	359,523	428,104	440,111	378,502
Total Governmental Activities Expenses	18,711,846	19,275,046	21,517,539	21,589,631
Business-type Activities Water and Sewer	9,660,213	6,838,648	7,530,363	7,600,797
Total Business-type Activities Expenses	9,660,213	6,838,648	7,530,363	7,600,797
Total Primary Government Expenses	\$ 28,372,059	\$ 26,113,694	\$ 29,047,902	\$ 29,190,428
<b>Program Revenues</b>				
Governmental Activities				
Charges for Services				
General Government	\$ 2,041,643	\$ 1,510,482	\$ 1,523,407	\$ 1,266,281
Public Safety	853,227	645,748	610,043	715,082
Public Works	86,102	34,570	105,074	78,279
Operating Grants and Contributions	3,485,828	1,604,390	1,213,851	1,156,090
Capital Grants and Contributions	32,715,967	4,109,196	1,586,198	1,487,548
Total Governmental Activities Program Revenues	39,182,767	7,904,386	5,038,573	4,703,280
Business-type Activities				
Charges for Services				
Water and Sewer	8,026,313	7,273,018	5,665,128	5,602,144
Operating Grants and Contributions	499,280	3,200	1,090	54,641
Capital Grants and Contributions	17,961,942	179,541	-	465,381
Total Business-type Activities Program Revenues	26,487,535	7,455,759	5,666,218	6,122,166
Total Primary Government Program Revenues	\$ 65,670,302	\$ 15,360,145	\$ 10,704,791	\$ 10,825,446
Net (Expense) Revenue				
Governmental Activities	\$ 20,470,921	\$ (11,370,660)	\$ (16,478,966)	\$ (16,886,351)
Business-type Activities	16,827,322	617,111	(1,864,145)	(1,478,631)
Total Primary Government Net (Expense) Revenue	\$ 37,298,243	\$ (10,753,549)	\$ (18,343,111)	\$ (18,364,982)

Fiscal Year						
2009	2010	2011	2012	2013	2014	
\$ 4,618,093	\$ 4,511,797	\$ 4,538,951	\$ 4,742,261	\$ 4,682,238	\$ 4,538,905	
7,686,244	7,924,602	8,086,707	8,267,862	8,668,334	8,842,616	
16,991,574	12,154,994	8,930,380	8,872,523	8,059,774	10,521,914	
408,053	395,572	344,884	345,353	190,092	160,780	
29,703,964	24,986,965	21,900,922	22,227,999	21,600,438	24,064,215	
8,708,844	16,311,087	8,578,470	8,551,752	8,738,058	8,487,380	
8,708,844	16,311,087	8,578,470	8,551,752	8,738,058	8,487,380	
\$ 38,412,808	\$ 41,298,052	\$ 30,479,392	\$ 30,779,751	\$ 30,338,496	\$ 32,551,595	
\$ 1,416,942	\$ 732,201	\$ 718,779	\$ 883,440	\$ 1,470,286	\$ 886,332	
745,832	1,223,423	977,767	1,003,544	1,022,031	1,062,432	
42,130	21,704	14,989	26,448	52,023	27,637	
1,017,003	971,168	1,191,828	1,278,892	1,288,203	1,218,237	
3,807,774	1,579,772	368,995	1,783,794	4,130,903	1,616,727	
7,029,681	4,528,268	3,272,358	4,976,118	7,963,446	4,811,365	
5,624,824	5,201,422	5,450,665	5,596,381	7,858,350	6,073,440	
34,040	37,071	54,112	112,067	-	687,145	
959,913	-	-	-	-	-	
6,618,777	5,238,493	5,504,777	5,708,448	7,858,350	6,760,585	
\$ 13,648,458	\$ 9,766,761	\$ 8,777,135	\$ 10,684,566	\$ 15,821,796	\$ 11,571,950	
\$ (22,674,283)	\$ (20,458,697)	\$ (18,628,564)	\$ (17,251,881)	\$ (13,636,992)	\$ (19,252,850)	
(2,090,067)	(11,072,594)	(3,073,693)	(2,843,304)	(879,708)	(1,726,795)	
\$ (24,764,350)	\$ (31,531,291)	\$ (21,702,257)	\$ (20,095,185)	\$ (14,516,700)	\$ (20,979,645)	

(Continued)

Village of Algonquin, Illinois

Change in Net Position (Continued)  
Last Ten Fiscal Years

	2005	2006	2007	2008
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities				
Taxes				
Property	\$ 3,889,332	\$ 4,266,257	\$ 4,720,450	\$ 5,168,603
Sales	4,105,890	5,573,263	6,543,069	6,510,307
Income and Use	2,231,053	2,496,391	2,771,039	3,426,760
Utility	1,145,222	1,397,896	1,739,948	1,023,062
Other	1,219,739	1,124,126	512,757	899,998
Investment Income (Loss)	158,115	325,513	615,840	601,941
Miscellaneous	95,263	35,323	8,726	415,459
Total Governmental Activities	12,844,614	15,218,769	16,911,829	18,046,130
Business-type Activities				
Sales	-	-	2,568,447	3,567,652
Investment Income (Loss)	181,168	245,981	577,561	230,995
Miscellaneous	-	-	105,000	258,212
Total Business-type Activities	181,168	245,981	3,251,008	4,056,859
Total Primary Government	\$ 13,025,782	\$ 15,464,750	\$ 20,162,837	\$ 22,102,989
<b>Change in Net Position</b>				
Governmental Activities	\$ 33,315,535	\$ 3,848,109	\$ 432,863	\$ 1,159,779
Business-type Activities	17,008,490	863,092	1,386,863	2,578,228
Total Primary Government	\$ 50,324,025	\$ 4,711,201	\$ 1,819,726	\$ 3,738,007

Data Source

Audited Financial Statements

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 5,583,456	\$ 5,939,181	\$ 5,960,733	\$ 6,000,829	\$ 5,904,067	\$ 5,874,845
6,848,007	7,550,234	8,030,266	8,630,053	9,023,020	10,129,119
3,067,163	2,676,478	2,817,443	3,003,337	3,294,417	3,393,115
1,014,164	947,168	1,015,552	963,634	999,135	998,361
887,618	866,264	1,189,334	1,438,886	1,220,371	1,150,583
342,425	215,056	192,446	177,276	74,537	(219,130)
467,774	361,469	13,767	15,078	17,146	7,688
18,210,607	18,555,850	19,219,541	20,229,093	20,532,693	21,334,581
3,112,492	2,282,512	2,140,901	2,189,131	1,665,803	742,925
79,999	51,431	30,000	35,586	45,222	(205,050)
308,500	-	-	-	-	118,600
3,500,991	2,333,943	2,170,901	2,224,717	1,711,025	656,475
\$ 21,711,598	\$ 20,889,793	\$ 21,390,442	\$ 22,453,810	\$ 22,243,718	\$ 21,991,056
\$ (4,463,676)	\$ (1,902,847)	\$ 590,977	\$ 2,977,212	\$ 6,895,701	\$ 2,081,731
1,410,924	(8,738,651)	(902,792)	(618,587)	831,317	(1,070,320)
\$ (3,052,752)	\$ (10,641,498)	\$ (311,815)	\$ 2,358,625	\$ 7,727,018	\$ 1,011,411

Village of Algonquin, Illinois

Fund Balances of Governmental Funds  
Last Ten Fiscal Years

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012**	2013**	2014**
General Fund										
Reserved	\$ 73,572	\$ 73,689	\$ 489,665	\$ 128,273	\$ 91,051	\$ 820,482	\$ 1,087,729	N/A	N/A	N/A
Designated	-	-	439,570	370,413	723,366	630,847	631,745	N/A	N/A	N/A
Unreserved	3,846,707	4,737,674	5,766,026	7,240,821	7,537,908	8,031,591	8,981,623	N/A	N/A	N/A
Nonspendable	N/A	\$ 104,327	\$ 128,636	\$ 87,013						
Restricted	N/A	-	-	-						
Committed	N/A	-	-	-						
Assigned	N/A	-	-	-						
Unassigned	N/A	13,237,235	14,576,319	14,953,584						
Total General Fund	\$ 3,920,279	\$ 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
All Other Governmental Funds										
Reserved	\$ 1,570,213	\$ 4,505,881	\$ 6,095,826	\$ 5,580,401	\$ 6,191,767	\$ 6,633,759	\$ 6,506,815	N/A	N/A	N/A
Unreserved, reported in										
Special Revenue Funds	3,715,606	3,074,909	2,199,087	2,347,141	3,088,941	2,363,027	3,001,419	N/A	N/A	N/A
Capital Project Funds	(21,899)	63,877	74,556	80,778	127,264	129,144	130,320	N/A	N/A	N/A
Debt Service Funds	-	-	-	-	-	-	-	N/A	N/A	N/A
Nonspendable	N/A	\$ 225	\$ 235	\$ 167						
Restricted	N/A	2,266,916	1,860,785	2,309,292						
Committed	N/A	-	-	-						
Assigned	N/A	5,247,710	6,098,107	7,180,275						
Unassigned	N/A	(94,471)	-	-						
Total All Other Governmental Funds	\$ 5,263,920	\$ 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

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
Taxes	\$ 12,502,435	\$ 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
Licenses and Permits	1,564,632	1,111,868	798,701	716,764	934,656	339,520	358,788	397,652	705,734	407,800
Intergovernmental, Grants and Contributions	3,485,828	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
Charges for Services	557,327	480,582	815,555	696,065	520,417	463,882	301,319	338,722	340,063	333,652
Fines and Forfeitures	859,013	576,564	583,982	615,449	694,899	1,132,348	907,896	864,061	798,921	749,287
Investment Income (Loss)	158,115	325,514	615,840	601,942	342,425	215,055	192,446	177,277	74,537	(219,130)
Miscellaneous	135,415	65,359	76,337	74,794	128,001	55,366	58,564	135,304	128,322	263,402
<b>Total Revenues</b>	<b>19,262,765</b>	<b>19,703,539</b>	<b>20,829,496</b>	<b>21,551,298</b>	<b>21,828,484</b>	<b>22,310,686</b>	<b>22,112,282</b>	<b>23,388,670</b>	<b>24,812,155</b>	<b>24,425,822</b>
<b>Expenditures</b>										
General Government	4,198,060	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
Public Safety	5,479,560	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
Public Works	4,479,163	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
Capital Outlay	3,234,345	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
Debt Service										
Principal	463,181	504,547	543,317	597,355	451,600	465,000	500,000	3,420,695	590,000	634,615
Interest	261,888	296,134	331,567	307,192	281,778	262,865	187,454	176,146	165,134	153,287
<b>Total Expenditures</b>	<b>18,116,197</b>	<b>19,341,834</b>	<b>18,220,796</b>	<b>20,833,201</b>	<b>19,816,014</b>	<b>21,462,133</b>	<b>20,353,274</b>	<b>22,966,379</b>	<b>22,910,015</b>	<b>22,976,102</b>
Excess of Revenues over (under)										
Expenditures	1,146,568	361,705	2,608,700	718,097	2,012,470	848,553	1,759,008	422,291	1,902,140	1,449,720

(Continued)

Village of Algonquin, Illinois

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Other financing Sources (Uses)</b>										
Transfers In	\$ 562,909	\$ 574,104	\$ 617,081	\$ 1,050,798	\$ 669,376	\$ 678,098	\$ 852,355	\$ 852,355	\$ 852,355	\$ 850,000
Transfers Out	(562,909)	(574,104)	(617,081)	(1,085,798)	(669,376)	(678,098)	(852,355)	(852,355)	(852,355)	(850,000)
Proceeds from Capital Lease	250,000	-	-	-	-	-	-	-	-	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	1,748	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	251,748	2,910,126	-	(35,000)	-	-	-	-	-	118,329
<b>Net Change in Fund Balances</b>	<b>\$ 1,398,316</b>	<b>\$ 3,271,831</b>	<b>\$ 2,608,700</b>	<b>\$ 683,097</b>	<b>\$ 2,012,470</b>	<b>\$ 848,553</b>	<b>\$ 1,759,008</b>	<b>\$ 422,291</b>	<b>\$ 1,902,140</b>	<b>\$ 1,568,049</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>4.87%</b>	<b>5.19%</b>	<b>5.58%</b>	<b>4.94%</b>	<b>4.19%</b>	<b>3.90%</b>	<b>3.74%</b>	<b>16.86%</b>	<b>4.18%</b>	<b>3.82%</b>

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)
2004	\$ 713,442,229	\$ 108,993,553	\$ 9,917,640	\$ 2,083,909	\$ 834,437,331	0.4765	\$ 2,503,311,993	33.333%	29	\$ 29,507,013	286	\$ 44,028,568
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

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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Village Direct Rates</b>										
General Corporate	\$ 0.4765	\$ 0.4641	\$ 0.4642	\$ 0.4701	\$ 0.4849	\$ 0.4839	\$ 0.5233	\$ 0.5642	\$ 0.6208	\$ 0.6775
<b>Overlapping Rates</b>										
Fire Districts (5)	2.1202	2.0788	2.1485	2.1066	2.1304	2.1466	2.3469	2.4758	3.5099	3.8524
Kane County	0.3467	0.3367	0.3452	0.3322	0.3336	0.3398	0.3730	0.3990	0.4336	0.4623
Kane County Forest Preserve	0.1432	0.1905	0.1747	0.1974	0.1932	0.1997	0.2201	0.2609	0.2710	0.3039
McHenry County	0.7346	0.7278	0.7060	0.6871	0.7014	0.7157	0.7927	0.8879	0.9958	1.0960
McHenry County Conservation	0.1580	0.1490	0.1425	0.1738	0.1732	0.1775	0.1956	0.2191	0.2481	0.2748
Park Districts (3)	0.7577	0.7313	0.7121	0.6862	0.6580	0.6959	0.8241	0.8665	0.7645	1.0765
Public Libraries (4)	0.7104	0.6675	0.8695	0.8456	0.8438	0.8693	0.9916	1.0266	1.1517	1.2313
Road & Bridge (4)	0.2439	0.2335	0.2281	0.2210	0.2237	0.2283	0.2552	0.2794	0.3942	0.4387
Schools (4)	8.9773	9.0626	8.7973	8.5327	8.4892	8.7353	9.9611	10.4509	12.0424	13.1491
Townships (4)	0.2899	0.2753	0.2411	0.2527	0.2522	0.2620	0.2984	0.3230	0.4165	0.4316

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 Nine Years Ago**

Taxpayer	April 30, 2013			April 30, 2005		
	2013 Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	2004* Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
In Retail Fund Algonquin Commons LLC	\$ 25,950,000	1	3.22%	\$ 4,092,499	3	0.49%
Rubloff Oakridge Algonquin LLC	7,513,352	2	0.93%	-	-	0.00%
Oakridge Court LLC	4,413,767	3	0.55%	-	-	0.00%
Wal-Mart Real Estate	4,206,913	4	0.52%	3,691,297	7	0.44%
Meijer Stores LTD Partnership	3,752,400	5	0.47%	5,184,463	2	0.62%
Target Corporation	3,588,113	6	0.45%	3,983,003	4	0.48%
LTF USA Real Estate LLC	3,261,994	7	0.41%	3,832,384	6	0.46%
Randall Holdings LLC	3,067,503	8	0.38%	-	-	0.00%
Jewel Food Stores Inc.	2,594,105	9	0.32%	-	-	0.00%
RPA Shopping Center Ph. 1 LLC	2,591,562	10	0.32%	3,050,000	9	0.37%
HD Development of MD Inc.	-		0.00%	3,092,940	8	0.37%
Woodscreek Shopping Center	-		0.00%	7,752,396	1	0.93%
River Point Shopping Center	-		0.00%	3,966,659	5	0.48%
Algonquin Towne Center	-		0.00%	2,849,662	10	0.34%
	<u>\$ 60,939,709</u>		<u>7.57%</u>	<u>\$ 41,495,303</u>		<u>4.97%</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.

\*2004 is the most recent information available.

**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
2004	\$ 3,971,334	\$ 3,967,157	99.89%	\$ 7,643	\$ 3,974,800	100.09%
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	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;

Dundee Township - Quadrennial (minimum); Grafton Township - Quadrennial (minimum)

Collections for most recent levy year are not available (N/A)

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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Merchandise	\$ 1,058,941	\$ 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
Food	541,265	494,863	668,337	792,506	903,485	987,441	957,066	989,997	975,961	989,451
Drinking and Eating Places	380,648	573,544	625,786	632,570	622,420	634,989	592,419	667,728	717,117	732,747
Apparel	125,721	490,072	549,577	575,270	509,925	455,968	519,440	685,012	588,495	593,205
Furniture & H.H. & Radio	119,671	423,118	629,713	727,475	639,712	528,320	510,346	491,866	523,162	549,625
Lumber, Building, Hardware	349,357	313,334	324,388	341,289	356,094	312,403	303,779	304,682	301,486	346,042
Automobile and Filling Stations	980,034	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
Drugs and Miscellaneous Retail	391,772	587,094	775,525	870,839	866,106	1,047,092	1,038,679	1,065,226	1,036,697	1,081,094
Agriculture and All Others	142,410	165,951	184,814	192,069	180,022	125,987	110,353	103,667	94,845	106,527
Manufacturers	141,810	135,846	116,495	126,597	109,840	103,914	83,071	117,709	75,772	81,124
<b>Total</b>	<b>\$ 4,057,929</b>	<b>\$ 5,291,741</b>	<b>\$ 6,144,349</b>	<b>\$ 6,599,056</b>	<b>\$ 6,504,882</b>	<b>\$ 6,455,352</b>	<b>\$ 6,525,655</b>	<b>\$ 6,948,585</b>	<b>\$ 6,991,371</b>	<b>\$ 7,144,335</b>
Total Number of Payers	770	906	944	989	825	801	766	1,128	807	794
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%	0.00%	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
2005	1.00%	5.50%
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%

Data Source

Village and County Records

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

**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			
2005	\$ 7,202,882	\$ 201,819	\$ 1,905,000	\$ 890,000	\$ 10,199,701	1.22%	\$ 334.75
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

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

\* See the Schedule of Demographic and Economic Statistics for equalized assessed valuation of property and population data.

**Village of Algonquin, Illinois**

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

Fiscal Year	General Obligation Bonds	Less: Amounts Available In Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita	
2005	\$ 9,107,882	\$ 460,691	\$ 8,647,191	1.04%	\$ 283.84	3
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

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, 2014**

Governmental unit	Gross Debt	Percentage Debt Applicable to the Village of Algonquin*	Village of Algonquin Share of Debt
Kane County	\$ 37,945,000	1.80%	\$ 683,010
McHenry County Conservation District	127,550,000	8.30%	10,586,650
Kane County Forest Preserve	190,305,866	1.80%	3,425,506
Dundee Township Park District	20,075,000	15.08%	3,027,310
Huntley Park District	10,880,000	9.62%	1,046,656
Dundee Township	6,910,000	15.12%	1,044,792
Algonquin Library	4,320,000	78.53%	3,392,496
Schools			
District No. 300	309,313,005	33.16%	102,568,192
District No. 158	96,503,595	10.03%	9,679,311
District No. 509	<u>193,829,856</u>	8.63%	<u>16,727,517</u>
Subtotal, overlapping debt	<u>997,632,322</u>		<u>152,181,439</u>
Village of Algonquin direct debt	<u>\$ 3,665,621</u>	<u>100.00%</u>	<u>3,665,621</u>
Total direct and overlapping debt	<u><u>\$ 1,001,297,943</u></u>		<u><u>\$ 155,847,060</u></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, 2014**

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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		
2005	\$ 8,706,761	\$ 3,908,619	\$ 4,798,142	\$ 205,000	\$ 37,710	19.77	
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	-	-	-	

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
2004	29,600	(E)	\$ 834,437,331	\$	28,190	4.8%
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%

(A) Actual  
(E) Estimate

Note: Personal Income data not available.

Information for 2014 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  
2013 Compared to 2005**

Employer	2013			2005		
	Employees	Rank	% of Total City Population	Employees	Rank	% of Total City Population
School District Number 300*	397	1	2.57%	-	-	0.00%
Walmart	268	2	1.73%	-	-	0.00%
Target	200	3	1.29%	-	-	0.00%
Village of Algonquin	159	4	1.03%	140	2	0.94%
Home Depot	145	5	0.94%	-	-	0.00%
Kenmode Tool and Engineering, Inc.	135	6	0.87%	125	4	0.84%
PEP Wauconda LLC (formerly Wauconda Tool and Engineering)	120	7	0.78%	135	3	0.90%
Aggregate Industries	100	8	0.65%	-	-	0.00%
Kohls	95	9	0.61%	-	-	0.00%
Duro-Life Corp.	62	10	0.40%	80	6	0.54%
Target Manufacturing Inc.	-	-	0.00%	50	8	0.33%
Hanson Material Service Corp.	-	-	0.00%	100	5	0.67%
Algonquin State Bank	-	-	0.00%	50	8	0.33%
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	9	0.30%
Really Nifty Hot Rod Parts	-	-	0.00%	40	10	0.27%

Note: Information for 2014 not currently available. Data from 2004 was not available; data from 2005 used for comparison purposes

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 Manufacuters Directory, 2001 Illinois Services Directory and a selective telephone survey  
Spear Financial, April 23, 2014

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**

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

Full-Time-Equivalent Employees as of April 30

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Administration	16	17	18	18	22	20	19	19	20	19
Community Development	10	12	12	12	12	12	12	12	12	12
Public Safety										
Police										
Officers	42	46	46	49	50	49	49	49	48	46
Civilians	14	7	7	9	11	11	11	11	11	11
Public Works										
Public Works Administration	8	9	9	7	8	7	6	6	6	6
Streets Department	13	14	14	15	16	16	14	14	14	14
Parks	13	14	14	14	17	17	16	15	16	15
Internal Services	4	5	5	7	9	9	9	9	9	8
Water										
Water and Sewer	20	20	19	22	22	22	19	20	20	21
Pool	N/A	N/A	N/A	N/A	4	5	5	4	3	4
<b>Total</b>	<b>140</b>	<b>144</b>	<b>144</b>	<b>153</b>	<b>171</b>	<b>168</b>	<b>160</b>	<b>159</b>	<b>159</b>	<b>156</b>

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Community Development										
Building permits issued	2,403	1,913	2,065	1,893	3,366	2,092	1,854	2,170	2,354	2,467
Building inspections conducted	12,414	9,463	6,517	4,290	5,720	4,036	2,756	4,096	4,023	4,562
Property maintenance inspections conducted	1,219	1,943	2,688	2,452	3,810	3,483	3,552	4,330	4,605	3,982
Public Safety										
Police										
Physical arrests	786	279	946	703	939	777	660	724	555	511
Parking violations	869	548	1,142	1,243	992	711	1,375	1,271	1,302	1,287
Traffic violations	6,075	2,057	6,394	6,684	6,611	4,524	4,311	4,818	3,708	3,305
Public Works										
Streets										
Street resurfacing (miles)	0.67	1.12	0.80	1.22	0.95	2.50	2.77	1.76	2.00	4.90
Potholes repaired	280	210	330	370	450	954	833	2,744	3,047	3,582
Parks and Recreation										
Park sites	20	20	21	22	22	22	22	22	22	22
Developed park acreage	251	251	253	155	155	155	155	155	155	155
Open space	273	273	273	512	512	512	512	512	512	512
Water										
New Connections (tap-ons)	440	400	400	21	20	5	5	-	13	7
Average daily consumption*	2,808	3,003	2,899	2,946	3,000	2,760	2,590	2,679	2,864	2,682
Peak daily consumption*	4,895	5,610	4,679	4,428	4,200	4,671	3,924	3,382	5,151	4,253
Wastewater										
Average daily sewage treatment*	3	3	3.2	3.0	3.5	3.1	3.0	2.9	2.8	3.0

\* (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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Geographic patrol areas	5	6	6	6	6	6	6	6	6	6
Public Works										
Streets										
Streets (miles)	248	248	249	249	249	249	286	286	267	256
Streetlights	160	160	228	228	228	228	228	228	189	189
Parks and Recreation										
Acreage	524	524	526	647	667	667	667	667	667	667
Playgrounds	16	16	17	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	13	14	14	14	14	14	14	14
Sites with tennis courts	4	4	4	5	5	5	5	5	5	5
Water										
Water mains (miles)	150	160	168	168	159	159	170	165	165	165
Fire hydrants	2,050	2,180	2,200	2,207	2,049	2,153	2,176	2,208	2,213	2,213
Storage capacity*	2.640	3.390	3.390	3.390	3.390	3.390	3.390	3.390	3.390	3.390
Wastewater										
Sanitary sewers (miles)	127	135	135	135	134	136	140	138	135	137
Treatment capacity*	2.872	2.834	2.980	2.828	5.000	5.000	5.000	5.000	5.000	5.000

Data Source

Various Village departments

\* (thousands of gallons)