



THE VILLAGE OF
ALGONQUIN
ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
APRIL 30, 2019

VILLAGE OF ALGONQUIN, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
April 30, 2019

Issued by the Finance Department

Michael Kumbera
Treasurer

Susan Skillman
Comptroller

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INTRODUCTORY SECTION

Village of Algonquin, Illinois
Principal Officials

April 30, 2019

Legislative

Village Board of Trustees

John Schmitt, Village President

Laura Brehmer

Debby Sosine

Jerry Glogowski

John Spella

Janis Jasper

Jim Steigert

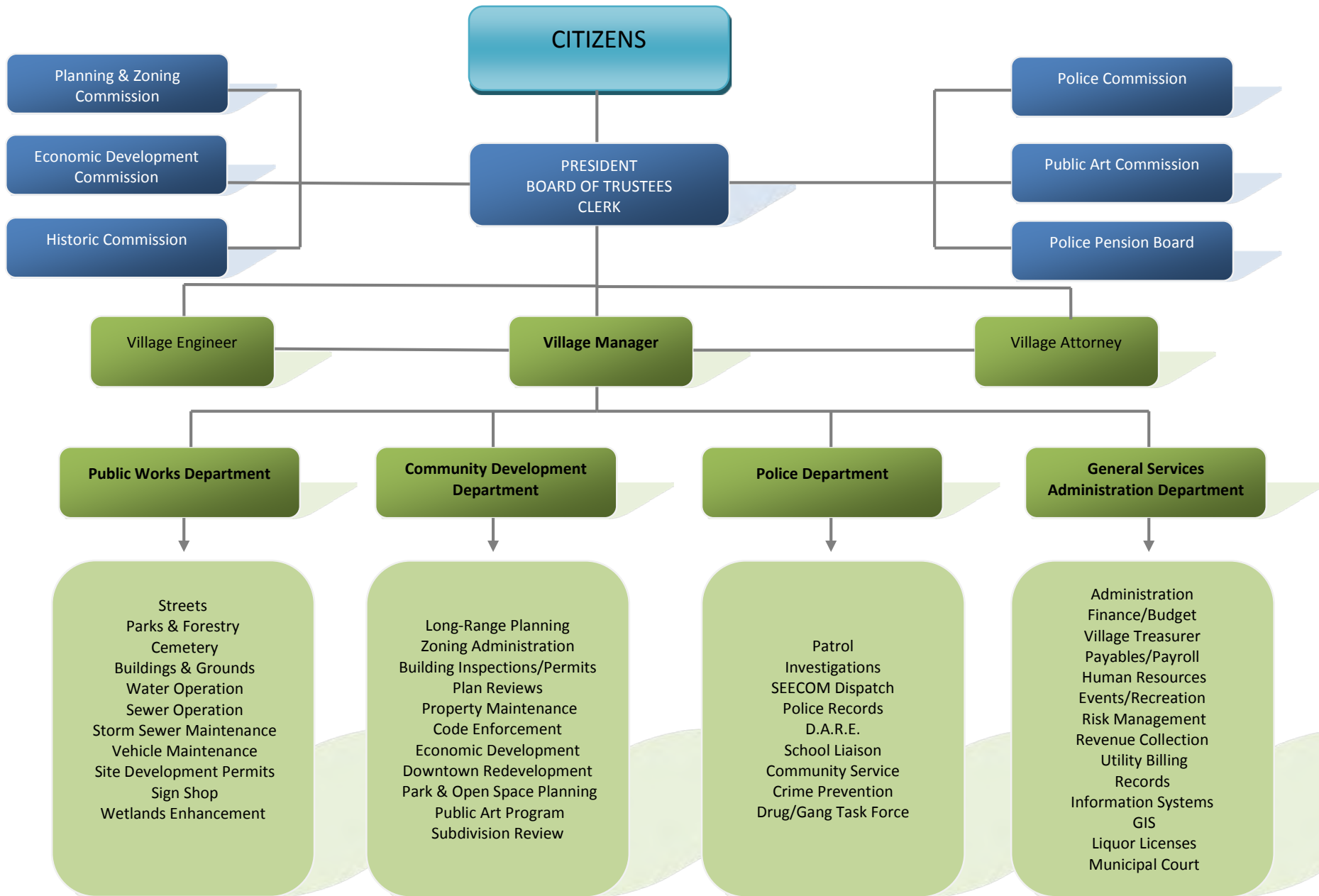
Gerald S. Kautz, Clerk

Appointed Officials

Tim Schloneger, Village Manager

Michael Kumbera, Treasurer

Village of Algonquin 2018 – 2019 Organizational 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, 2018

Christopher P. Morill

Executive Director/CEO



Village of Algonquin

The Gem of the Fox River Valley

October 8, 2019

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, 2019, 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 Sikich 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, 2019, 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 their 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, 2019, 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.

Copies of this financial report are available for review at the Ganek Municipal Center and will also be placed on the Village's web site at www.algonquin.org/transparency for use by the general public.

Profile of the Village of Algonquin

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

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

The Village is a full service municipal organization providing general government, police and public safety, planning and zoning, building inspection, code enforcement, parks and recreation, special events, street maintenance, storm water management, forestry, water and sanitary sewer utility services. The CAFR also includes the activities of the Algonquin Police Pension Fund, although control of this fund rests with an independent board.

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.

Local Economy

The Village's overall financial condition is strong and stable and current financial policies have provided opportunities for continued investment in programs and services that make Algonquin great. The Village has experienced steady revenue growth in recent years as the national, regional, and local economy improves.

Retail trade, professional, scientific, and technical services, health care and social assistance, accommodations and food services are the major industry sectors in Algonquin. The Village's unemployment rate in 2018 was 3.6 percent, which improved from the 2017 rate of 4.2 percent. Algonquin's unemployment rate compares favorably to the State of Illinois (4.3 percent) and the Chicago metropolitan area (4.0 percent).

Growth continued in the local sales tax base across many categories including general merchandise, food, drinking and eating places, hardware, automotive, and agriculture. Notable declines in categories such as apparel, furniture, drugs/miscellaneous retail, and manufacturing correlate to business closings experienced during the period. General Fund sales tax revenues decreased by \$114,764 (or 1.5 percent) to \$7.62 million. Sales tax revenue represented 38 percent of total General Fund revenues for the year.

State-shared income/use tax revenue increased by \$327,486 (or 8.5 percent) to \$3.85 million compared to the prior year. The 2010 Census counts are used in the distribution formula for state-shared revenues. The state's per capita distribution rate for FY 19 increased 6.6 percent for the year following a decrease of 5.0 percent in FY 18. Beginning August 1, 2017, local governments receive 6.06 percent of the net collections of all income tax received from individuals, trusts, and estates, and 6.85 percent of the net collections of all income tax received from corporations

Assessed property values in Algonquin increased 5.4 percent in 2018 to \$951,587,593, which follows a 5.7 percent increase in 2017 and a 6.5 percent increase in 2016. New construction growth in the residential

and commercial sectors helped contribute to an increase in property values. As a home rule unit of government, the Village's tax levy is not subject to the Property Tax Extension Limitation Law (PTELL).

Building permit revenues exceeded budget by \$42,565 due to increased volume of residential housing starts in the village. Overall, during the fiscal year ended April 30, 2019, 3,154 permits were issued, up 10.3 percent from the previous year (2,859). This is the first year of increasing permit volume in the Village following three years of declining volume.

Overall, operating results in the General Fund were positive with actual revenues exceeding budget by 4.5 percent and expenditures were 3.2 percent less than budget. Economic and state legislative trends are being monitored closely to gauge the potential impact on the Village's financial position. Expenditures are being evaluated and reduced whenever necessary and possible, and privatization and shared services are being considered when a cost savings and consistent level of service can be achieved.

Long-Term Financial Planning

The Village continues to use the Home Rule Sales Tax of 0.75 percent for infrastructure and capital purposes. Those funds, together with existing dedicated revenues, strengthen the Village preference of a "pay as you go" philosophy in financing capital projects. The capital improvement program for street and infrastructure improvements is managed from five funds (Motor Fuel Tax, Street Improvement, Park Improvement, Water & Sewer Improvement and Construction, and Village Expansion). 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 revenues and water and sewer user fees.

The Village invests portions of the surplus cash in local government investment pools as well as fixed income securities as an alternative investment. Investment returns for local government investment pools are correlated to the short-term federal funds rate, which was as 225 to 250 basis points as of April 30, 2019. Investment grade fixed income securities with an average life of less than three years are approved for investment. This includes corporate bonds pursuant to the Village's investment policy. The maturities of investments now range from being immediately accessible (Illinois Funds and IMET Convenience Fund) and up to three years (Fixed Income Investments). Investment income includes market appreciation in the fair value of investments.

The Police Pension Fund is permitted to invest in equities as well as fixed income bonds with longer maturities. Market value yields from these assets for the year ended April 30, 2019, were 7.2 percent.

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, 2019, in funding 67.8 percent of the actuarial accrued liabilities. The actuarial valuation as stated in this report, determined that the net contribution due from the Village is \$2,067,570. The remaining unfunded amount is being systematically funded over 14 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 Plan (IMRF). The Village has no obligation in connection with employee benefits offered through this plan beyond its contractual payments to IMRF. Additional information on the Village's pension arrangements can be found in Note 10 in the financial statements.

As of April 30, 2019, the Village had two outstanding debt issues, both of which were general obligation bonds. Outstanding principal at year-end were \$5.20 million for general obligation bonds. Continuing its

practice, the Village abated \$1.46 million of the 2018 Tax Levy for debt service. Under current state statutes, the Village has no legal debt limit on general obligation debt.

Relevant Financial Policies

Cash and investments in the General Fund (Operating) at April 30, 2019, is \$15.4 million, which represents 75.9 percent of 2019 general fund operating revenues, exceeding the Village's policy guidelines set by the Village Board. These reserves are vital to ensuring the Village's ability to weather volatility in national and state economic conditions, address pension funding requirements and maintain services in the event of unanticipated revenue shortfalls.

Debt outstanding at April 30, 2019, for the two active general obligation bond issues are \$5.20 million. Series 2014A will be retired in 2020 and Series 2013 will be retired in 2025. Pursuant to the Village's Capital Improvement Plan, debt issuance may be considered for certain large-scale expenditures provided policy guidelines are met. Provided the Village's current debt structure, ample capacity exists within the foreseeable future should the Village Board wish to pursue this financing method.

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.

Beginning in 2018, the Village implemented its water meter exchange program to outfit its entire inventory of approximately 11,000 meters with a new fixed-base network to automate the reading process. This will eliminate antiquated technologies such as phone read, radio read, and manual read meters with a uniform platform. Funding for this project comes from a water and sewer rate study performed in 2016 to fund infrastructure improvements in the utility system.

In fall 2018, the Village issued a request for proposals for refuse, recycling, and yard waste collection services to secure the best pricing possible. Four vendors responded to the request with various proposals with the current provider Groot submitting the lowest price acceptable bid. Sticker customers will see rates drop 14 percent while refuse cart customers will have rates decrease 22 percent. New rates will be effective upon expiration of the Village's current contract with Groot on September 1, 2019.

Also in fall of 2018, the Village revised its police pension funding policy. In its revision, the Village adopted a 15-year layered model to more aggressively fund unfunded liability while realizing more modest year-to-year annual required contributions. Most importantly, both for taxpayers and plan participants, is that the funding policy keeps a funding target of 2033 for 100 percent funding level.

Construction continues in Old Town Algonquin to transform the district into a beautiful, pedestrian friendly environment while helping to preserve the character and history of the area. The first phase of construction (from Algonquin Road/IL-62 south to IL-31) was substantially completed during FY19 and includes updated utilities, street improvements and enhanced pedestrian amenities. The project is the centerpiece of the multi-year effort to revitalize the Old Town Algonquin area to support local businesses and encourage private investment in the immediate area. A tax increment financing district was established in the Old Town area in 2014 to further advance this outcome.

At a regional level, the construction of Longmeadow Parkway, a four-lane Fox River Bridge crossing and four-lane arterial roadway corridor with a median, approximately 5.6 miles in length, continues with two sections already constructed and two more actively under construction. The construction of the final sections, including from IL-31 to IL-25 and a new bridge over the Fox River, is anticipated to be completed by 2021. Additionally, work to widen Randall Road to six lanes from Harnish Drive in Algonquin to Polaris Drive in Lake in the Hills began in September of 2018. This work also includes adding additional turn lanes and capacity at the intersection of Randall Road and Algonquin Road. This intersection is one of the most heavily traveled in the Chicago metropolitan area and experiences severe traffic congestion which impacts economic viability and regional mobility in the area. Work is expected to continue through 2021.

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, 2018. This was the fifteenth 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.

New this year, the Village was also recognized by the GFOA for Outstanding Achievement in Popular Annual Financial Reporting for its Popular Annual Financial Report (PAFR) for the fiscal year ending April 30, 2018. The PAFR is a summarized report that presents the complex information found within the Village's CAFR in an understandable format for readers without background in public finance.

The Village also received the GFOA's Award for Distinguished Budget Presentation for its 2019 budget document. This was the fifteenth 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 2019 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.

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. The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance team. I would like to express my appreciation especially to Susan Skillman, Comptroller, and Jodie Proschwitz, Senior Accountant, and all other members of the team who assisted and contributed to the preparation of this report.

Respectfully submitted,



Michael J. Kumbera
Assistant Village Manager/Treasurer

FINANCIAL SECTION

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

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INDEPENDENT AUDITOR'S REPORT

The Honorable 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 (the Village) as of and for the year ended April 30, 2019, and the related notes to financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 did not audit the financial statements of Southeast Emergency Communications (SEECOM), which represent 0.46%, 0.53%, and 0.63% of the assets, net position, and revenues of the governmental activities, respectively. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it related to the amounts included for SEECOM, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of SEECOM were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, 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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

The Village adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which established standards for measuring and recognizing liabilities, deferred inflows and outflows of resources and expenses; and modified certain disclosures in the notes to financial statements and the required supplementary information as discussed in Note 12 to the basic financial statements. 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 management's discussion and analysis and other required supplementary information listed in the table of contents 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 introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory and statistical sections 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2019, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Sikich LLP

Naperville, Illinois
October 8, 2019

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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 (the Village), as of and for the year ended April 30, 2019, and the related notes to financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated October 8, 2019. Our report includes a reference to other auditors who audited the financial statements of Southeast Emergency Communications (SEECOM), as described in our report on the Village of Algonquin's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of SEECOM were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sikich LLP

Naperville, Illinois
October 8, 2019

**GENERAL PURPOSE
EXTERNAL FINANCIAL STATEMENTS**

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 6).

Financial Highlights

- **The Village's net** position increased by \$0.6 million (or 0.2%) from FY18 to \$255.2 million.
- The governmental activities net position increased by \$1.9 million (or 0.9%) from FY18 to \$197.7 million.
- The business type activities net position decreased by \$1.3 million (or 2.2%) from FY18 to \$57.5 million.
- The total revenues of all governmental activity programs decreased by \$0.7 million and expenses increased \$1.9 million from FY18.
- The total revenues of business-type activity programs increased by \$1.5 million and expenses increased \$1.4 million from FY18.
- Total Village expenses increased by \$3.3 million (or 10.0%).
- **The Village's** combined general fund balance increased by \$0.1 million from FY18.
- **The Village's** combined general fund actual revenues were over the budgeted amounts by \$0.9 million and actual expenditures were under the budgeted amounts by \$0.6 million.
- **The Village's capital assets** increased by \$3.6 million to \$239.8 million from FY18.

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 6-9) 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 8-9) 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.

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 10-14) 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, see pages 20 and 21). 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. Therefore, the assets in this fund 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 15-19) is the same as the Business-type column on the Government-Wide Financial Statement, the Governmental Major Funds Total column requires a reconciliation. This is because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 12 and 14). 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 \$0.6 million from FY18 – increasing from \$254.6 million to \$255.2 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 \$1.9 million from \$195.8 million to \$197.7 million. The business-type activities net position decreased by \$1.3 million from \$58.8 million to \$57.5 million. Table 1 reflects the condensed Statement of Net Position compared to FY18. 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 MD&A 6.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Current and Other Assets	\$ 37.7	\$ 41.5	\$ 17.1	\$ 15.8	\$ 54.8	\$ 57.3
Capital Assets	191.5	185.0	48.4	51.2	239.9	236.2
Total Assets	229.2	226.5	65.5	67.0	294.7	293.5
Deferred Outflows of Resources	2.9	0.5	1.2	0.2	4.1	0.7
Total Assets & Deferred Outflows	232.1	227.0	66.7	67.2	298.8	294.2
Long-Term Liabilities	21.3	18.2	6.2	5.3	27.5	23.5
Other Liabilities	4.0	3.0	2.6	2.4	6.6	5.4
Total Liabilities	25.3	21.2	8.8	7.7	34.1	28.9
Deferred Inflows of Resources	9.1	10.0	0.4	0.7	9.5	10.7
Total Liabilities & Deferred Inflows	34.4	31.2	9.2	8.4	43.6	39.6
Net Position:						
Net Investment in Capital Assets	190.8	183.8	43.7	45.9	234.5	229.7
Restricted	4.0	4.5	0.8	0.8	4.8	5.3
Unrestricted	2.9	7.5	13.0	12.1	15.9	19.6
Total Net Position	\$ 197.7	\$ 195.8	\$ 57.5	\$ 58.8	\$ 255.2	\$ 254.6

For more detailed information see the Statement of Net Position (pages 6-7).

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.

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 \$0.6 million increase of combined net position (which is the Village's bottom line) was the result of the governmental activities net position increasing by \$1.9 million and the business-type activities decreasing by \$1.3 million.

The governmental activities total assets increased by \$2.7 million and the governmental activities total liabilities increased by \$4.1 million. The total assets increase of \$2.7 million was a result of an increase of \$6.5 million in capital assets and a decrease of \$3.8 million in current and other assets. The increase in capital assets was due to increases of \$10.2 million in construction in progress and \$0.3 million in land. This was offset with decreases of \$2.7 million in streets/storm sewers/bridges, \$0.9 million in improvements other than buildings; \$0.3 million in buildings, and \$0.1 million in vehicles and equipment. The decrease in current and other assets was due mainly to decreases of \$1.6 million in cash and investment; and \$2.5 million in internal balances. This was offset by increases of \$0.2 million in investment in joint venture; and \$0.1 million in other assets. The overall decreases were due mainly to capital assets depreciation.

The governmental activities deferred outflows of resources increased by \$2.4 million due to an increase of pension items relating to the IMRF of \$2.0 million and the addition of OPEB this year of \$0.7 million. These were offset by a decrease in the Police Pension Fund of \$0.3 million. (See Note 10 - 11 in the Notes to Financial Statements for additional information).

The governmental activities total liabilities increased by \$4.1 million due to increase of \$3.1 million in long-term liabilities and \$1.0 million in other liabilities.

The governmental activities deferred inflows of resources decreased \$0.9 million due to the decrease of pension items relating to IMRF of \$0.9 million and Police Pension Fund of \$0.3 million. This was offset by increases in the OPEB of \$0.2 million and deferred property taxes of \$0.1 million. (See Note 10 - 12).

The net position of the business-type activities decreased by \$1.3 million from \$58.8 million to \$57.5 million. Total assets of the business-type activities decreased by \$1.5 million from \$67.0 to \$65.5 million. The total assets decrease of \$1.5 million was a result of a decrease in capital assets of \$2.8 million and an increase in current and other assets of \$1.3 million. The capital asset decrease of \$2.8 million in the business-type activities occurred mainly as a result of decreases in water and sewer improvements of \$2.0 million; \$0.4 million in construction in progress; and \$0.4 million in buildings. The overall decrease was due mainly to capital assets depreciation. The increase in current assets of \$1.3 million was mainly due to an increase of \$2.5 million in internal balances, and \$0.1 million in accounts receivable. These were offset by a decrease of \$1.3 million in cash and investments. Expenses exceeded revenues during FY19, which resulted in a net deficit of \$0.9 million.

Village of Algonquin, Illinois
Management's Discussion and Analysis
 April 30, 2019

Total liabilities of the business-type activities increased by \$1.1 million from \$7.7 million to \$8.8 million. The long-term liabilities increased by \$0.9 million due to an increase of \$1.2 million in IMRF net pension liability and the addition this year of \$0.4 million for the OPEB liability. This was offset by a decrease of \$0.7 million in long term debt for the G.O. Bonds Payable for the wastewater treatment plant expansion. Other liabilities decreased \$0.1 million in accounts payable and \$0.1 million for the G.O. Bond Payable due within one year.

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, 2019 and 2018
 (in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues						
Charges for Service	\$ 1.4	\$ 1.6	\$ 9.9	\$ 8.5	\$ 11.3	\$ 10.1
Operating Grants & Contributions	1.2	1.1	-	-	1.2	1.1
Capital Grants & Contributions	0.5	1.7	-	-	0.5	1.7
General Revenues						
Property Taxes	6.5	6.4	-	-	6.5	6.4
Other Taxes	17.4	17.2	-	-	17.4	17.2
Other	1.2	0.9	0.3	0.2	1.5	1.1
Total Revenue	28.2	28.9	10.2	8.7	38.4	37.6
Expenses						
Governmental Activities						
General Government	5.0	4.1	-	-	5.0	4.1
Public Safety	9.4	9.1	-	-	9.4	9.1
Public Works	11.1	10.4	-	-	11.1	10.4
Interest	-	-	-	-	-	-
Business Type						
Water and Sewer	-	-	11.1	9.7	11.1	9.7
Total Expenses	25.5	23.6	11.1	9.7	36.6	33.3
Change in Net Position	2.7	5.3	(0.9)	(1.0)	1.8	4.3
Net position - beginning (Restated)	195.0	190.5	58.4	59.8	253.4	250.3
Net position - ending	\$ 197.7	\$ 195.8	\$ 57.5	\$ 58.8	\$ 255.2	\$ 254.6

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

Normal Impacts

Revenues:

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

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

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

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

Expenses:

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

Increase in Authorized Personnel – changes in service demand may cause the Village Board to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent 55.6% 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 \$0.7 million from \$28.9 million to \$28.2 million. Decreases of \$1.2 million in capital grants/contributions, \$0.2 million in charges for service, and \$0.1 million in sales and use tax were offset by an increase of \$0.1 million in operating grants/contributions, \$0.1 million in property tax, \$0.3 million in other taxes, and \$0.3 million in other. The decrease in capital grants/contributions were mainly due to fewer developer donations during the fiscal year. Collections for property tax increased \$0.1 million and income tax increased \$0.3 million. Other revenues increased by \$0.3 million due to an increase in investment income. Property tax revenue increased slightly due to an increase in the property tax collections due to an increased EAV in FY18.

The Village has a diversified revenue structure and depends on several key revenue sources to help pay for the services provided. The Village attempts to maintain its property tax level and capture new revenues from growth. Due to recent upturns in the housing market values, **the Village's EAV** increased by approximately 5.4% from levy year 2017 (\$900,634,801) to levy year 2018 (\$951,587,793). **The Village's property tax rate was** 0.6218 in 2017 and 0.5885 in 2018.

In the general government, state shared income tax increased 8.51% from FY18 to FY19. There was also a slight increase in property tax (1.7%) and a slight decrease in sales and use tax (1.5%). Overall, total general revenues increased 2.24% from FY18 to FY19.

Expenses:

The Village's governmental activities total expenses increased \$1.9 million for FY19.

General Government expenses increased \$0.9 million from \$4.1 million to \$5.0 million. The General Government expenses increased mainly due to government wide adjustments for capital assets, IMRF net pension liabilities, and joint ventures during FY19.

Public Safety expenses increased \$0.3 million from \$9.1 million to \$9.4 million. The Public Safety expenses had increases of \$0.1 million in salaries, \$0.1 million in pension contributions, \$0.1 million in non-capital vehicles/equipment, and \$0.1 million in legal/professional services. This was offset by an increase in the government wide adjustment for the police pension net pension liability of \$0.1 million during FY 19.

Public Works expenses increased \$0.7 million from \$10.4 million to \$11.1 million. The Public Works expenses increased mainly due to an increases in motor fuel tax maintenance expenses as these funds are being used more for maintenance than capital projects.

Interest expenses remained unchanged.

Business-type Activities

Revenue:

Total revenues for Business-type Activities increased \$1.5 million from \$8.7 million to \$10.2 million. There was an increase of \$1.4 million in charges for service and \$0.1 million in other revenues. The \$1.4 million increase in charges for services included increases of \$1.0 million in water and sewer revenue, \$0.2 million in connection fees, \$0.1 million in developer contributions, and \$0.1 million in various other revenue items. Water and sewer revenue increased due to annual rate increases. Connections fees increased \$0.2 million due to improved development in FY19.

Expenses:

The Village's Business-type Activities total expenses increased \$1.4 million from \$9.7 million to \$11.1 million. The overall change in expenses was due to an increase of \$1.3 million in infrastructure maintenance, and \$0.3 million in maintenance-treatment facility for replacement of membranes at one of the water treatment plants. This was offset by reduction in other water and sewer operation expense of \$0.2 million.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Governmental Funds

At April 30, 2019, the governmental funds (as presented on the balance sheet on page 8-9) reported a combined fund balance of \$27.8 million or a decrease of 15.2% from \$32.8 million at the beginning of the year. Of the total fund balance, \$2.8 million is unassigned indicating availability for continuing Village services. Total assets increased \$5.6 million and total liabilities and deferred inflows of resources increased \$10.6 million for an overall decrease of \$5.0 million in fund balance.

The increase of \$5.6 million in total assets consisted of an increase of \$7.0 million in advance to other funds (TIF), \$0.1 million in property tax receivable, and \$0.1 million in other receivables. These increases were offset by a decrease of \$1.6 million in cash and investments. The increase in total liabilities and deferred inflows of resources of \$10.6 million was due to increases of \$9.5 million in advances from other funds (TIF), \$1.0 million in accounts payable, and \$0.1 million in deferred inflows of resources for unavailable property tax revenue.

The general fund total fund balance increased \$0.1 million from \$18.40 million in FY18 to \$18.5 million in FY19. General fund assets had a net increase of \$0.5 million due to increases of \$0.4 million in cash and investments and \$0.1 million in other receivables. General fund total liabilities increased \$0.5 million due to an increase in accounts payable. Deferred inflows of resources for property tax revenue remained unchanged from FY18 to FY19.

The street improvement fund total fund balance increased \$4.1 million to \$17.6 million from FY18 to FY19. Assets increased \$4.3 million from FY18 to FY19. This included an increase in advances to other funds of \$7.0 million (TIF fund expenses). This increase was offset by a decrease of \$2.7 million in cash and investments. Street improvement fund total liabilities increased \$0.2 million due to an increase in accounts payable from FY18 to FY19.

The downtown TIF district fund was a major fund in FY19 and total fund balance decreased \$9.0 million to a negative fund balance of \$13.3 million from FY18 to FY19. Assets increased \$0.6 million due to an increase of \$0.5 million in cash and investments and \$0.1 million in property tax receivables. Total liabilities increased \$9.5 million due to an increase in advances from other funds. Deferred inflows of resources increased \$0.1 million due to an increase in unavailable property tax revenue from FY18 to FY19.

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 60. Actual spending was \$0.6 million less than the budget, which was due to actual expenses less than budget of \$0.2 million in general government, \$0.1 million in public safety, and \$0.3 million in public works.

The \$0.2 million savings in general government expenses was due to savings of \$0.1 million in administration other charges and \$0.1 million in administration personnel.

The \$0.1 million savings in public safety expenses was split between commodities and contractual services.

The \$0.3 million savings in public works was due to savings of \$0.2 million in contractual services and \$0.1 million in personnel within the general services divisions.

	Original Budget	Amended Budget	Actual
Revenues			
Taxes	\$ 6.143	\$ 6.143	\$ 6.138
Intergovernmental, Grants & Contributions	11.367	11.391	12.031
Other	2.045	2.045	2.294
Total Revenues	\$ 19.555	\$ 19.579	\$ 20.463
Expenditures and Transfers			
Expenditures	\$ 18.959	\$ 19.352	\$ 18.749
Transfers and Other Financing Sources (Uses)	1.622	1.622	1.622
Total Expenditures and Transfers Out	20.581	20.974	20.371
Change in Fund Balance	\$ (1.026)	\$ (1.395)	\$ 0.092

Capital Assets

At the end of FY19, the Village had a combined total of capital assets of \$239.82 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 increase (including additions and deletions) of \$3.64 million.

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

- Downtown Streetscape Improvements (TIF – streetscape/water/sewer) for \$9.0 million.
- **Creek's Crossing Park Drainage & Improvements for \$0.5 million.**
- Crystal Creek Bridge Replacement for \$0.3 million.
- Land purchase for the Downtown TIF for \$0.3 million.
- Wastewater Treatment Facility Improvements for \$0.5 million.
- Crystal Creek Improvements relating to the Western Bypass for \$0.2 million.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Land & Right of Way	\$ 95.94	\$ 95.60	\$ 3.64	\$ 3.64	\$ 99.58	\$ 99.24
Construction in Progress	14.64	4.42	1.03	1.42	15.67	5.84
Buildings	9.62	9.95	11.25	11.60	20.87	21.55
Vehicles and Equipment	1.09	1.19	0.25	0.30	1.34	1.49
Improvements other than Building	9.49	10.43	-	-	9.49	10.43
Streets, Storm Sewers, Bridges	60.67	63.42	-	-	60.67	63.42
Water and Sewer	-	-	32.20	34.21	32.20	34.21
Total	\$ 191.45	\$ 185.01	\$ 48.37	\$ 51.17	\$ 239.82	\$ 236.18

The following reconciliation summarizes the changes in Capital Assets which is presented in detail on pages 33 and 34 of the notes.

	Governmental	Business-Type	
	Activities	Activities	Total
Beginning Balance	\$ 185.01	\$ 51.17	\$ 236.18
Additions			
Depreciable	\$ 0.19	\$ 0.99	\$ 1.18
Non-Depreciation	0.33	-	0.33
Construction in Progress	10.22	0.57	10.79
Retirements			
Depreciable	-	-	-
Non-Depreciation	-	-	-
Construction in Progress	-	(0.96)	(0.96)
Depreciation			
Retirement	(4.30)	(3.40)	(7.70)
Ending Balance	\$ 191.45	\$ 48.37	\$ 239.82

The Governmental Activities net Capital Assets net increase of \$6.4 million was due to increases in construction in progress (\$10.2 million); and land (\$0.3 million). These were offset by decreases in streets/storm sewers/bridges (\$2.8 million), improvements other than building (\$0.9 million); buildings (\$0.3 million) and vehicles and equipment (\$0.1 million). The construction in progress increased substantially due to the downtown street/streetscape improvements being constructed as part of the downtown TIF area. Decreases in the remaining various accounts were due to normal depreciation expense.

The Business-type Activities net decrease of \$2.8 million in net Capital Assets was due mainly to decreases noted in water and sewer improvements (\$2.0 million), construction in progress (\$0.4 million), and buildings (\$0.4 million). Land and vehicles/equipment remained relatively unchanged. Decreases were due mainly to normal depreciation expense.

Additional information concerning capital assets can be found in Note 4.

Debt Outstanding

Since the mid-1990's, the Village of Algonquin has followed a "pay-as-you-go" philosophy to funding capital projects. Exceptions to this philosophy had been bonds issued to pay for the construction of the Village Hall (Ganek Municipal Center) in 1995-1996 and the Public Works Facility in 2002-2003. In December 2005, the Village authorized Bond Series 2005A for \$9,000,000 to partially finance the expansion of Phase 6 of the Wastewater Treatment Plant. Bond Series 2013 was issued for \$7,645,000 to refund Series 2005A. Bond Series 2005B was issued for \$2,935,000 to refund Series 2002B. Bond Series 2014A was issued for \$2,885,000 to refund Series 2005B. The Village has established the following five funds to accumulate monies over time to systematically construct and/or replace major assets: Motor Fuel Tax, Street Improvement, Parks, Water and Sewer Improvement and Construction, and the Village Expansion. The Village also created a Downtown TIF District Fund to account for activities associated with improvements within the established downtown TIF district. The current Home Rule Sales Tax of 0.75% was allocated as an additional revenue source for capital and infrastructure to assist in the "pay as you go" philosophy. In FY19, 100% of the Home Rule Sales Tax is allocated to the Street Improvement Fund to provide funds for continued street infrastructure maintenance and improvements.

The Village currently has two general obligation bond series. A total of \$5.195 million of general obligation bonds were outstanding at April 30, 2019. The governmental activities have \$0.615 million of general obligation bonds outstanding; business-type activities have \$4.580 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 7.

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 decreased due to the increase in the **Village's** EAV. The 2018 tax extension remained flat for property tax collections in FY19. 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 FY19. The FY19 state income and local use tax combined increased by 8.5% from FY18. This was primarily due to increases in the income tax per capita of 14.6% and an increase in the disbursement amount of 14.7%. Current estimates indicate that the 2019 per-capita allocations will trend slightly upward in FY20. The State of Illinois continues to discuss cutting the **local government's share of the state income tax and** possibly freezing property taxes for home rule communities such as the Village of Algonquin. The State of Illinois recently passed a \$.19 per gallon increase to the motor fuel tax of which the Village of Algonquin will see increased allotment distributions beginning in September 2019.

Construction in the local residential housing market increased during FY19 (from 33 permits in 2018 to 86 in 2019). The number of new permits for commercial construction also increased (3 permits in 2018 to 4 in 2019). **The Village's** growth in EAV and property tax receipts continue to increase each year. The property tax receipts had a 1.7% increase from FY18 to FY19. Combined sales tax and home rule sales tax experienced a 1.3% decrease from FY18 to FY19.

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 its status of 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 Kumbera, Assistant Village Manager or Susan Skillman, Comptroller, Village of Algonquin, 2200 Harnish Drive, Algonquin, IL 60102.

VILLAGE OF ALGONQUIN, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 17,462,852	\$ 8,237,292	\$ 25,700,144
Investments	12,441,899	3,521,864	15,963,763
Restricted investments	-	834,476	834,476
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	6,181,865	-	6,181,865
Other taxes	3,142,769	-	3,142,769
Intergovernmental, grants, and contributions	99,282	-	99,282
IPBC	111,196	-	111,196
Accrued interest	28,471	-	28,471
Accounts	17,915	1,143,576	1,161,491
Other	344,020	-	344,020
Internal balances	(3,374,313)	3,374,313	-
Prepaid items	87,167	19,826	106,993
Inventory	123,872	-	123,872
Investment in joint venture	1,055,274	-	1,055,274
Capital assets			
Nondepreciable	110,578,782	4,670,557	115,249,339
Depreciable, net of accumulated depreciation	80,875,177	43,701,184	124,576,361
 Total assets	 229,176,228	 65,503,088	 294,679,316
DEFERRED OUTFLOWS OF RESOURCES			
Pension items - Police Pension Fund	59,022	-	59,022
Pension items - IMRF	2,181,222	919,536	3,100,758
Pension items - OPEB	647,168	162,927	810,095
Deferred loss on refunding	9,908	103,460	113,368
 Total deferred outflows of resources	 2,897,320	 1,185,923	 4,083,243
 Total assets and deferred outflows of resources	 232,073,548	 66,689,011	 298,762,559

(This statement is continued on the following page.)

VILLAGE OF ALGONQUIN, ILLINOIS

STATEMENT OF NET POSITION (Continued)

April 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts payable	\$ 2,454,307	\$ 1,689,975	\$ 4,144,282
Accrued interest	1,281	11,623	12,904
Unearned revenue - other	185,022	-	185,022
Other liabilities	31,705	-	31,705
Noncurrent liabilities			
Due within one year	1,372,007	857,792	2,229,799
Due in more than one year	21,259,408	6,232,734	27,492,142
	<u>25,303,730</u>	<u>8,792,124</u>	<u>34,095,854</u>
DEFERRED INFLOWS OF RESOURCES			
Pension items - Police Pension Fund	1,925,445	-	1,925,445
Pension items - IMRF	827,277	348,755	1,176,032
Pension items - OPEB	149,150	37,549	186,699
Deferred property tax revenue	6,181,865	-	6,181,865
	<u>9,083,737</u>	<u>386,304</u>	<u>9,470,041</u>
Total liabilities and deferred inflows of resources	<u>34,387,467</u>	<u>9,178,428</u>	<u>43,565,895</u>
NET POSITION			
Net investment in capital assets	190,831,120	43,721,778	234,552,898
Restricted for			
Donor programs	772,146	-	772,146
Insurance	385,160	-	385,160
Street maintenance	2,269,915	-	2,269,915
Capital projects	192,062	-	192,062
Cemetery	336,577	-	336,577
Debt service	-	834,476	834,476
Unrestricted	<u>2,899,101</u>	<u>12,954,329</u>	<u>15,853,430</u>
	<u>\$ 197,686,081</u>	<u>\$ 57,510,583</u>	<u>\$ 255,196,664</u>

See accompanying notes to financial statements.

VILLAGE OF ALGONQUIN, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2019

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 5,000,206	\$ 1,165,023	\$ 79,395	\$ 31,927
Public safety	9,439,213	283,432	343,031	-
Public works	11,110,272	-	809,833	458,603
Debt service - interest and fees	21,478	-	-	-
Total governmental activities	25,571,169	1,448,455	1,232,259	490,530
Business-Type Activities				
Waterworks and sewerage	11,112,382	9,889,295	-	-
Total business-type activities	11,112,382	9,889,295	-	-
TOTAL PRIMARY GOVERNMENT	\$ 36,683,551	\$ 11,337,750	\$ 1,232,259	\$ 490,530

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (3,723,861)	\$ -	\$ (3,723,861)
	(8,812,750)	-	(8,812,750)
	(9,841,836)	-	(9,841,836)
	(21,478)	-	(21,478)
	(22,399,925)	-	(22,399,925)
	-	(1,223,087)	(1,223,087)
	-	(1,223,087)	(1,223,087)
	(22,399,925)	(1,223,087)	(23,623,012)
General Revenues			
Taxes			
Property	6,489,997	-	6,489,997
Home rule sales tax	4,147,954	-	4,147,954
Utility	963,975	-	963,975
Telecommunications	597,288	-	597,288
Hotel	48,234	-	48,234
Video gaming tax	116,645	-	116,645
Intergovernmental, unrestricted			
Sales and use tax	7,618,630	-	7,618,630
Personal property replacement	51,492	-	51,492
Income tax	3,846,671	-	3,846,671
Franchise fees	513,038	-	513,038
Investment income	626,353	189,136	815,489
Miscellaneous	58,342	84,330	142,672
Total	25,078,619	273,466	25,352,085
CHANGE IN NET POSITION	2,678,694	(949,621)	1,729,073
NET POSITION, MAY 1	195,832,830	58,785,927	254,618,757
Change in accounting principle	(825,443)	(325,723)	(1,151,166)
NET POSITION, MAY 1, RESTATED	195,007,387	58,460,204	253,467,591
NET POSITION, APRIL 30	\$ 197,686,081	\$ 57,510,583	\$ 255,196,664

See accompanying notes to financial statements.

VILLAGE OF ALGONQUIN, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2019

	General	Street Improvement	Downtown TIF District	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
ASSETS					
Cash and cash equivalents	\$ 8,402,771	\$ 3,494,561	\$ 1,036,096	\$ 4,528,506	\$ 17,461,934
Investments	7,913,337	3,743,996	-	784,566	12,441,899
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	5,599,988	-	581,877	-	6,181,865
Other taxes	2,001,327	1,058,406	-	83,036	3,142,769
Intergovernmental, grants, and contributions	1,249	-	31,527	66,506	99,282
IPBC	111,196	-	-	-	111,196
Accrued interest	28,471	-	-	-	28,471
Other	344,020	-	-	-	344,020
Due from other funds	43,608	-	-	-	43,608
Advance to other funds	654,966	10,377,881	-	-	11,032,847
Prepaid items	86,988	-	-	179	87,167
TOTAL ASSETS	\$ 25,187,921	\$ 18,674,844	\$ 1,649,500	\$ 5,462,793	\$ 50,975,058

(This statement is continued on the following page.)

VILLAGE OF ALGONQUIN, ILLINOIS

BALANCE SHEET (Continued)
GOVERNMENTAL FUNDS

April 30, 2019

	General	Street Improvement	Downtown TIF District	Nonmajor Governmental Funds	Total Governmental Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 837,752	\$ 1,116,664	\$ -	\$ 423,013	\$ 2,377,429
Unearned revenue	185,022	-	-	-	185,022
Advances from other funds	-	-	14,407,160	-	14,407,160
Other liabilities	31,705	-	-	-	31,705
Total liabilities	1,054,479	1,116,664	14,407,160	423,013	17,001,316
DEFERRED INFLOWS OF RESOURCES					
Unavailable property tax revenue	5,599,988	-	581,877	-	6,181,865
Total deferred inflows of resources	5,599,988	-	581,877	-	6,181,865
Total liabilities and deferred inflows of resources	6,654,467	1,116,664	14,989,037	423,013	23,183,181
FUND BALANCES					
Nonspendable					
Prepays	86,988	-	-	179	87,167
Advances	654,966	-	-	-	654,966
Restricted					
Donor programs	772,146	-	-	-	772,146
Insurance	385,160	-	-	-	385,160
Street maintenance	-	-	-	2,269,915	2,269,915
Capital projects	-	-	-	192,062	192,062
Cemetery	-	-	-	336,577	336,577
Unrestricted					
Assigned					
Capital projects	272,317	17,558,180	-	1,579,280	19,409,777
Debt service	-	-	-	661,767	661,767
Historic commission	9,980	-	-	-	9,980
Special purpose	164,169	-	-	-	164,169
Unassigned (deficit)	16,187,728	-	(13,339,537)	-	2,848,191
Total fund balances (deficit)	18,533,454	17,558,180	(13,339,537)	5,039,780	27,791,877
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 25,187,921	\$ 18,674,844	\$ 1,649,500	\$ 5,462,793	\$ 50,975,058

See accompanying notes to financial statements.

VILLAGE OF ALGONQUIN, ILLINOIS

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION

April 30, 2019

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 27,791,877
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	191,453,959
Less internal service fund capital assets included below	(89,274)
Deferred loss on refunding of debt is not considered to represent a financial resource and, therefore, is not reported in the governmental funds	9,908
Investment in joint venture is not considered to represent a financial resource and, therefore, is not reported in the funds	1,055,274
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position	111,493
Differences between expected and actual experiences, assumption changes, net difference between projected and actual earnings, and contributions after the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows and inflows or resources on the statement of net position	1,353,945
Differences between expected and actual experiences, assumption changes, and net difference between projected and actual earnings for the Police Pension Fund are recognized as deferred outflows and inflows or resources on the statement of net position	(1,866,423)
Differences between expected and actual experiences, assumption changes, and net difference between projected and actual earnings for other postemployment benefits are recognized as deferred outflows and inflows or resources on the statement of net position	498,018
Some liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as in governmental funds	
Accrued interest	(1,281)
Total OPEB liability	(1,858,202)
Compensated absences	(1,086,749)
Unamortized premium	(17,747)
Net pension liability - IMRF	(3,854,145)
Net pension liability - Police Pension Plan	(15,199,572)
General obligation bonds payable	(615,000)
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 197,686,081

See accompanying notes to financial statements.

VILLAGE OF ALGONQUIN, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended April 30, 2019

	General	Street Improvement	Downtown TIF District	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 6,137,576	\$ 5,380,708	\$ 491,194	\$ 354,614	\$ 12,364,092
Intergovernmental, grants, and contributions	12,031,141	22,068	31,527	1,222,615	13,307,351
Charges for services	331,672	-	-	16,050	347,722
Licenses and permits	651,171	-	-	-	651,171
Fines and forfeits	322,254	-	-	-	322,254
Investment income	381,785	140,381	373	103,814	626,353
Miscellaneous	607,550	-	-	23,370	630,920
Total revenues	20,463,149	5,543,157	523,094	1,720,463	28,249,863
EXPENDITURES					
Current					
General government	4,200,215	-	740,713	28,567	4,969,495
Public safety	9,809,188	-	-	-	9,809,188
Public works	4,477,936	2,063,410	-	1,530,606	8,071,952
Capital outlay	254,902	181,924	8,779,778	513,244	9,729,848
Debt service					
Principal retirement	5,979	-	-	600,000	605,979
Interest and fiscal charges	370	-	-	30,910	31,280
Total expenditures	18,748,590	2,245,334	9,520,491	2,703,327	33,217,742
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,714,559	3,297,823	(8,997,397)	(982,864)	(4,967,879)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	801,955	-	1,058,275	1,860,230
Transfers (out)	(1,622,250)	(36,025)	-	(201,955)	(1,860,230)
Total other financing sources (uses)	(1,622,250)	765,930	-	856,320	-
NET CHANGE IN FUND BALANCES	92,309	4,063,753	(8,997,397)	(126,544)	(4,967,879)
FUND BALANCES (DEFICIT), MAY 1	18,441,145	13,494,427	(4,342,140)	5,166,324	32,759,756
FUND BALANCES (DEFICIT), APRIL 30	\$ 18,533,454	\$ 17,558,180	\$ (13,339,537)	\$ 5,039,780	\$ 27,791,877

See accompanying notes to financial statements.

VILLAGE OF ALGONQUIN, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2019

NET CHANGE IN FUND BALANCES -
TOTAL GOVERNMENTAL FUNDS \$ (4,967,879)

Amounts reported for governmental activities in the statement of activities
are different because:

Governmental funds report capital outlay as expenditures; however, they
are capitalized and depreciated in the statement of activities 10,745,734

The repayment of the principal portion long-term debt is reported as an
expenditure when due in governmental funds but as a reduction of
principal outstanding in the statement of activities
Principal on bonds 600,000
Principal on capital lease 5,979

The change in the net pension liability for the Illinois Municipal Retirement
Fund and the related deferred inflows and outflows are only reported
in the statement of activities 56,661

The change in the net pension liability for the Police Pension Fund and the
related deferred inflows and outflows are only reported in the statement
of activities 440,523

The change in the total OPEB liability and related deferred inflows and
outflows are only reported in the statement of activities (66,368)

The change in net position of the internal service funds is reported only in
the statement of activities (22,222)

Some expenses in the statement of activities do not require the use of current
financial resources and, therefore, are not reported as expenditures in
governmental funds
Depreciation (4,275,305)
Change in investment in joint venture 178,350
Change in compensated absences (26,581)
Change in accrued interest payable 1,250
Amortization of bond premium 19,361
Amortization of deferred loss on refunding (10,809)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 2,678,694

See accompanying notes to financial statements.

VILLAGE OF ALGONQUIN, ILLINOIS

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

April 30, 2019

	Business-Type Activities Waterworks and Sewerage	Governmental Activities Internal Service
CURRENT ASSETS		
Cash and cash equivalents	\$ 8,237,292	\$ 918
Investments	3,521,864	-
Receivables		
Accounts	1,143,576	17,915
Prepaid items	19,826	-
Inventory	-	123,872
Restricted assets - investments	834,476	-
	13,757,034	142,705
NONCURRENT ASSETS		
Advances to other funds	3,374,313	-
Capital assets		
Nondepreciable	4,670,557	-
Depreciable, net of accumulated depreciation	43,701,184	89,274
	48,371,741	89,274
Total noncurrent assets	51,746,054	89,274
Total assets	65,503,088	231,979
DEFERRED OUTFLOWS OF RESOURCES		
Pension items - IMRF	919,536	-
Pension items - OPEB	162,927	-
Deferred loss on refunding	103,460	-
	1,185,923	-
Total assets and deferred outflows of resources	66,689,011	231,979

(This statement is continued on the following page.)

VILLAGE OF ALGONQUIN, ILLINOIS

STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS

April 30, 2019

	Business-Type Activities Waterworks and Sewerage	Governmental Activities Internal Service
CURRENT LIABILITIES		
Accounts payable	\$ 1,689,975	\$ 76,878
Accrued interest	11,623	-
Due to other funds	-	43,608
Current portion of long-term debt	857,792	-
	2,559,390	120,486
LONG-TERM LIABILITIES		
Long-term liabilities	6,232,734	-
	6,232,734	-
	8,792,124	120,486
DEFERRED INFLOWS OF RESOURCES		
Pension items - IMRF	348,755	-
Pension items - OPEB	37,549	-
	386,304	-
	9,178,428	120,486
NET POSITION		
Net investment in capital assets	43,721,778	89,274
Restricted for debt service	834,476	-
Unrestricted	12,954,329	22,219
	\$ 57,510,583	\$ 111,493

See accompanying notes to financial statements.

VILLAGE OF ALGONQUIN, ILLINOIS

STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS

For the Year Ended April 30, 2019

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage	Internal Service
OPERATING REVENUES		
Charges for services	\$ 8,327,363	\$ -
Administrative fee	91,763	-
Infrastructure fee	1,324,647	-
Maintenance billings	-	1,534,794
Fleet maintenance and fuel	-	383,034
Developer contributions	145,522	-
Miscellaneous	84,330	1,503
	9,973,625	1,919,331
OPERATING EXPENSES		
Water operations	3,063,376	-
Sewer operations	2,477,969	-
Nondepartmental	2,027,017	-
Building services	-	847,522
Vehicle maintenance	-	1,071,811
Depreciation	3,395,945	22,220
	10,964,307	1,941,553
	(990,682)	(22,222)
NON-OPERATING REVENUES (EXPENSES)		
Investment income	189,136	-
Interest expense and fiscal agent fees	(148,075)	-
	41,061	-
CHANGE IN NET POSITION	(949,621)	(22,222)
NET POSITION, MAY 1	58,785,927	133,715
Change in accounting principle	(325,723)	-
NET POSITION, MAY 1, RESTATED	58,460,204	133,715
NET POSITION, APRIL 30	\$ 57,510,583	\$ 111,493

See accompanying notes to financial statements.

VILLAGE OF ALGONQUIN, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended April 30, 2019

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 9,612,630	\$ 383,034
Cash received for interfund services provided	-	1,522,498
Cash paid to suppliers	(4,536,466)	(1,062,660)
Cash paid to employees	(2,740,944)	(843,546)
Other receipts (payments)	84,330	1,503
	2,419,550	829
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Interfund activity	(2,502,760)	89
	(2,502,760)	89
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	(601,040)	-
Interest paid on bonds	(174,813)	-
Principal paid on general obligation bond maturities	(665,000)	-
	(1,440,853)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investment securities	(2,090,102)	-
Sale of investment securities	2,676,513	-
Interest received	189,136	-
	775,547	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(748,516)	918
CASH AND CASH EQUIVALENTS, MAY 1	8,985,808	-
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 8,237,292	\$ 918

(This statement is continued on the following page.)

VILLAGE OF ALGONQUIN, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS

For the Year Ended April 30, 2019

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage	Internal Service
RECONCILIATION OF OPERATING INCOME		
(LOSS) TO NET CASH FLOWS FROM		
OPERATING ACTIVITIES		
Operating income (loss)	\$ (990,682)	\$ (22,222)
Adjustments to reconcile operating income (loss) to net cash from operating activities		
Depreciation and amortization	3,395,945	22,220
Changes in assets and liabilities		
Accounts receivable	(131,020)	(12,296)
Prepaid items	(123)	-
Inventory	-	17,655
Accounts payable	145,690	(4,528)
Pension and OPEB related items	(24,502)	-
Compensated absences payable	24,242	-
	\$ 2,419,550	\$ 829
NET CASH FROM OPERATING ACTIVITIES	\$ 2,419,550	\$ 829
NONCASH TRANSACTIONS		
None	\$ -	\$ -

See accompanying notes to financial statements.

VILLAGE OF ALGONQUIN, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

April 30, 2019

	Police Pension
ASSETS	
Cash and short-term investments	\$ 433,775
Investments	
U.S. Treasury securities	2,588,483
U.S. agency securities	2,851,129
Equity mutual funds	16,761,152
Equities	3,271,128
The Illinois Funds	246,572
Money market mutual funds	311,820
Municipal bonds	322,660
Bond mutual fund	111,296
Corporate bonds	4,774,889
Receivables	
Accrued interest receivable	94,535
	<hr/>
Total assets	31,767,439
	<hr/>
LIABILITIES	
None	-
	<hr/>
Total liabilities	-
	<hr/>
NET POSITION RESTRICTED FOR PENSIONS	\$ 31,767,439
	<hr/> <hr/>

See accompanying notes to financial statements.

VILLAGE OF ALGONQUIN, ILLINOIS

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

For the Year Ended April 30, 2019

ADDITIONS

Contributions	
Employer	\$ 1,992,834
Employee	<u>415,056</u>
Total contributions	<u>2,407,890</u>
Investment income	
Net appreciation in fair value of investments	1,422,029
Interest	<u>810,031</u>
Total investment income	2,232,060
Less investment expense	<u>(114,628)</u>
Net investment income	<u>2,117,432</u>
Total additions	<u>4,525,322</u>

DEDUCTIONS

Benefits and refunds	1,175,988
Administration	<u>35,748</u>
Total deductions	<u>1,211,736</u>

NET INCREASE 3,313,586

**NET POSITION RESTRICTED
FOR PENSIONS**

May 1	<u>28,453,853</u>
April 30	<u>\$ 31,767,439</u>

See accompanying notes to financial statements.

VILLAGE OF ALGONQUIN, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Reporting Entity

The Village is a municipal corporation governed by an elected Village President and six-member Village Board of Trustees. As required by GAAP, 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. In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was based upon the significance of its operational or financial relationship with the primary government. There are no component units that are required to be included in the Village's basic financial statements.

b. Fund Accounting

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

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

Governmental funds are used to account for all or most of the Village's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds restricted, committed, or assigned for the acquisition or construction of major capital assets (capital projects funds), and the funds restricted, committed, or assigned for the servicing of general long-term debt (debt service funds). The General Fund is used to account for all activities of the general government not accounted for in another fund.

VILLAGE OF ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

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

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

c. Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

The General Fund is the general operating fund of the Village. It is used to account for all financial resources not accounted for in another fund.

VILLAGE OF ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Downtown TIF District Fund is used to account for the activities associated with improvements within established downtown Tax Increment Financing District.

The Street Improvement Fund is used to account for the construction, improvement, and maintenance of village streets. Financing is provided by developer contributions, utility taxes, telecommunication taxes, and transfers from other funds.

The Village reports the following major proprietary fund:

The Waterworks and Sewerage Fund is used 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, billing, and collection.

The Village reports on the following internal service funds:

The Vehicle Maintenance Fund is used to account for the fueling, maintenance, and repair of village owned vehicles and equipment. Financing is provided by other funds for this purpose.

The Building Service Fund is used to account for maintenance and repairs of village owned buildings. Financing is provided by other funds for this purpose.

The Village reports a pension trust fund as a fiduciary fund to account for the Police Pension Fund.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues and expenses are directly attributable to the operation of the proprietary funds. Non-operating revenue/expenses are incidental to the operations of these funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, generally 60 days except for certain revenues collected by the state (e.g., sales and telecom taxes) which use a 90-day period.

The Village recognizes property taxes when they become both measurable and available in the year intended to finance. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as expenditures when due.

Those revenues susceptible to accrual are property taxes, utility taxes, franchise fees, licenses, interest revenue, and charges for services. Sales and telecommunication taxes owed to the state at year end on behalf of the Village also are recognized as revenue. Fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidelines. Monies that are virtually unrestricted as to purpose of expenditure, which are usually revocable only for failure to comply with prescribed compliance requirements, are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria is met.

The Village reports unavailable/deferred revenue and unearned revenue on its financial statements. Unavailable/deferred revenues arise when a potential revenue does not meet the measurable and available or earned criteria for recognition in the current period. 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 both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the deferred inflow for unavailable/deferred revenue or the liability for unearned revenue is removed from the financial statements and revenue is recognized.

VILLAGE OF ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash and Investments

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Village's proprietary funds consider their equity in pooled cash and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust fund are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Village and Police Pension Fund categorize the fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

f. Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due to/from other funds" on the financial statements. Long-term interfund loans are classified as "advances to/from other funds."

g. Prepaid Items/Expenses and Inventory

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses. Amounts are recorded as expenditures/expenses using the consumption method.

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/expenses when used.

VILLAGE OF ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. 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 acquisition value on the date received.

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

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

Assets	Years
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

i. Compensated Absences

Vested or accumulated vacation leave and sick leave that is due to employees who have retired or terminated by the end of the year is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation and sick leave of proprietary funds and governmental activities is recorded as an expense and liability of those funds as the benefits accrue to employees. The General Fund is typically used to liquidate these liabilities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Fund Balance/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, externally imposed by outside entities, or as a result of the Village's own enabling legislation. Committed fund balance is constrained by formal actions of the Village Board of Trustees, which is considered the Village's highest level of decision-making authority. Formal actions include resolutions and ordinances (equally binding) approved by the Board of Trustees. Assigned fund balance represents amounts constrained by the Village's intent to use them for a specific purpose. The Village Board of Trustees 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 the Board of Trustees assigns resources in accordance with the established fund purpose through the passage of the annual budget/appropriation ordinance. Any residual fund balance of the General Fund and any deficit balances in other governmental funds are reported as unassigned.

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

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

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the Village's investment in the book value of capital assets, less any outstanding debt that was issued to construct or acquire the capital asset.

k. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities columns, or proprietary fund financial statements. Bond premiums and discounts, as well as gains and losses on refundings, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premiums or discounts. Bond issuance costs are expensed as incurred.

VILLAGE OF ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Long-Term Obligations (Continued)

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 an other financing source. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

l. Interfund Transactions

Interfund service transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund service transactions and reimbursements, are reported as transfers.

m. Deferred Outflows/Inflows of Resources

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

n. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, deferred inflows, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

2. DEPOSITS AND INVESTMENTS

Permitted Deposits and Investments - Illinois statutes and the Village's investment policy authorizes the Village to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, interest-bearing bonds of the State of Illinois or any county, township, or municipal corporation of the State of Illinois, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and The Illinois Funds (a money market fund created by the State of Illinois under the State Treasurer that maintains a \$1 per share value).

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than fair value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

a. Village Deposits and Investments

It is the policy of the Village to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, safety, liquidity, and yield.

Deposits with Financial Institutions

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. It is the policy of the Village to require that funds on deposit in excess of FDIC limits be secured by some form of collateral. The amount of collateral provided will not be less than 105% of the fair 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, 2019, the Village was not exposed to custodial credit risk as all deposits were either insured or collateralized with investments held by the Village or its agent, in the Village's name.

VILLAGE OF ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

a. Village Deposits and Investments (Continued)

Investments

The following table presents the investments and maturities of the Village's debt securities as of April 30, 2019:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury securities	\$ 566,589	\$ 129,642	\$ 436,947	\$ -	\$ -
U.S. agency securities	1,253,064	239,217	675,203	221,604	117,040
Municipal bonds	479,298	176,274	303,024	-	-
Negotiable certificates of deposit	2,903,342	534,890	2,368,452	-	-
TOTAL	\$ 5,202,293	\$ 1,080,023	\$ 3,783,626	\$ 221,604	\$ 117,040

The Village has the following recurring fair value measurements as of April 30, 2019: The U.S. agency securities, U.S. Treasury securities, municipal bonds, and negotiable CDs are valued using quoted matrix pricing models (Level 2 inputs).

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Village limits its exposure to interest rate risk by matching its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Village does not directly invest in securities maturing more than three years from the date of purchase. Reserved funds and other funds with longer term investment horizons may be invested in securities exceeding two years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of funds.

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Village limits its exposure to credit risk by limiting investments to the types of securities listed above and diversifying the investment portfolio to the best of its abilities based on the type of funds invested and the cash flow needs of those funds. The Illinois Funds and Illinois Metropolitan Investment Fund (IMET) are rated AAA. The Village's U.S. agency securities have ratings from AA+ to AAA. The Village's Municipal Bonds have ratings from AA to AA-. The negotiable certificates of deposit are not rated.

VILLAGE OF ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

a. Village Deposits and Investments (Continued)

Investments (Continued)

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Village's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by an independent third-party custodian and evidenced by safekeeping receipts and a written custodial agreement. The Illinois Funds and IMET are not subject to custodial credit risk.

Concentration of credit risk is the risk that the Village has a high percentage of its investments invested in one type of investment. The Village's investment policy requires diversification of investments to avoid unreasonable risk. The investments shall be diversified by type of investment, number of institutions invested in, and length of maturity.

3. RECEIVABLES - PROPERTY TAXES

Property taxes for the 2018 levy year attach as an enforceable lien on January 1, 2018, on property value assessed as of the same date. Taxes are levied by December 31 of the subsequent fiscal year end by passage of a Tax Levy Ordinance. Tax bills are prepared by the County and issued on or about May 1, 2019 and August 1, 2019, and are payable in two installments, on or about June 1, 2019 and September 1, 2019. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% to 2% of the tax levy, to reflect actual collection experience. The 2018 taxes are intended to finance the 2020 fiscal year and are not considered available for current operations and are, therefore, shown as unavailable/deferred revenue. The 2019 tax levy has not been recorded as a receivable at April 30, 2019, as the tax attached as a lien on property as of January 1, 2019; however, the tax will not be levied until December 2019 and, accordingly, is not measurable at April 30, 2019.

VILLAGE OF ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2019 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 95,602,468	\$ 334,417	\$ -	\$ 95,936,885
Construction in progress	4,421,400	10,220,497	-	14,641,897
Total capital assets not being depreciated	100,023,868	10,554,914	-	110,578,782
Capital assets being depreciated				
Buildings	15,976,573	-	-	15,976,573
Improvements other than buildings	20,959,399	-	-	20,959,399
Vehicles and equipment	6,723,331	190,820	52,674	6,861,477
Streets/storm sewers/bridges	112,598,066	-	-	112,598,066
Total capital assets being depreciated	156,257,369	190,820	52,674	156,395,515
Less accumulated depreciation for				
Buildings	6,028,147	319,008	-	6,347,155
Improvements other than buildings	10,528,850	945,164	-	11,474,014
Vehicles and equipment	5,532,919	284,275	52,674	5,771,520
Streets/storm sewers/bridges	49,178,571	2,749,078	-	51,927,649
Total accumulated depreciation	71,273,387	4,297,525	52,674	75,518,238
Total capital assets being depreciated, net	84,981,882	(4,106,705)	-	80,875,177
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	\$ 185,005,750	\$ 6,448,209	\$ -	\$ 191,453,959
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 3,644,048	\$ -	\$ -	\$ 3,644,048
Construction in progress	1,418,289	573,985	965,765	1,026,509
Total capital assets not being depreciated	5,062,337	573,985	965,765	4,670,557
Capital assets being depreciated				
Water and sewer system	92,710,861	965,765	-	93,676,626
Buildings	17,403,306	-	-	17,403,306
Vehicles and equipment	1,264,343	27,055	-	1,291,398
Total capital assets being depreciated	111,378,510	992,820	-	112,371,330
Less accumulated depreciation for				
Water and sewer system	58,501,655	2,973,808	-	61,475,463
Buildings	5,804,105	348,066	-	6,152,171
Vehicles and equipment	968,441	74,071	-	1,042,512
Total accumulated depreciation	65,274,201	3,395,945	-	68,670,146
Total capital assets being depreciated, net	46,104,309	(2,403,125)	-	43,701,184
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	\$ 51,166,646	\$ (1,829,140)	\$ 965,765	\$ 48,371,741

VILLAGE OF ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

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

GOVERNMENTAL ACTIVITIES	
General government	\$ 209,788
Public safety	46,998
Highways and streets	<u>4,040,739</u>
TOTAL DEPRECIATION EXPENSE -	
GOVERNMENTAL ACTIVITIES	<u>\$ 4,297,525</u>

5. 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 participates in the Intergovernmental Personnel Benefit Cooperative.

Intergovernmental Personnel Benefit Cooperative (IPBC) is a public entity risk pool established by certain units of local government in Illinois to administer some or all of the personnel benefit programs (primarily medical and life insurance coverage) offered by these members to their officers and employees and to the officers and employees of certain governmental, quasi governmental, and nonprofit public service entities. IPBC receives, processes, and pays such claims as may come within the benefit program of each member. Management consists of a Board of Directors comprised of one appointed representative, along with an alternate, from each member. In addition, there are two officers; a chairperson and a Treasurer. The Village does not exercise any control over the activities of IPBC beyond its representation on the Board of Directors.

Complete financial statement, the latest available dated June 30, 2018, may be obtained directly from IPBC's administrative offices at 800 Roosevelt Road, Building C, Suite 312, Glen Ellyn, Illinois 60137.

5. RISK MANAGEMENT (Continued)

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.

6. JOINT VENTURE

The Village is a founding member of Southeast Emergency Communication. (SEECOM). 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 nonvoting members also consist of one member from the Fire Services Advisory Board and one member from the Law Enforcement Advisory Board. These nonvoting members represent other member communities.

Each of SEECOM's three members paid an initial entry fee as determined and agreed to by SEECOM's Executive 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 five-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 undepreciated value of SEECOM's capital assets.

VILLAGE OF ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. JOINT VENTURE (Continued)

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

The Village reports its activities in SEECOM as a governmental joint venture. In accordance with the joint venture agreement, the Village remitted \$651,723 to SEECOM during fiscal year 2019. In addition, the Village’s equity interest in the joint venture’s net position of \$1,055,274 is recorded within the governmental activities column of the statement of net position.

7. LONG-TERM DEBT

a. General Obligation Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the Village and are payable from both governmental activities/funds and business-type activities. General obligation bonds currently outstanding are as follows:

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
\$2,885,000 General Obligation Refunding Bond Series 2014A, due in annual installments of \$10,000 to \$615,000, plus interest of 2.00% to 2.50% payable each April 1 and October 1 through April 1, 2020.	Debt Service	\$ 1,215,000	\$ -	\$ 600,000	\$ 615,000	\$ 615,000
\$7,645,000 General Obligation Refunding Bond Series 2013, due in annual installments of \$570,000 to \$830,000, plus interest of 3.00% to 3.25% payable each April 1 and October 1 through April 1, 2025.	Waterworks and Sewerage	5,245,000	-	665,000	4,580,000	695,000
TOTAL GENERAL OBLIGATION BONDS		<u>\$ 6,460,000</u>	<u>\$ -</u>	<u>\$ 1,265,000</u>	<u>\$ 5,195,000</u>	<u>\$ 1,310,000</u>

VILLAGE OF ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. LONG-TERM DEBT (Continued)

b. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year	Governmental Activities General Obligation Bonds		Business-Type Activities General Obligation Bonds	
	Principal	Interest	Principal	Interest
2020	\$ 615,000	\$ 15,375	\$ 695,000	\$ 139,475
2021	-	-	715,000	118,625
2022	-	-	755,000	97,175
2023	-	-	770,000	74,525
2024	-	-	815,000	51,425
2025	-	-	830,000	26,975
TOTAL	\$ 615,000	\$ 15,375	\$ 4,580,000	\$ 508,200

c. Changes in Long-Term Liabilities

During the fiscal year, the following changes occurred in long-term liabilities for governmental activities:

	Balances May 1, Restated	Issuances	Retirements	Balances April 30	Current Portion
General obligation bonds payable	\$ 1,215,000	\$ -	\$ 600,000	\$ 615,000	\$ 615,000
Unamortized premium	37,108	-	19,361	17,747	-
Capital lease	5,979	-	5,979	-	-
Compensated absences*	1,060,168	1,424,183	1,397,602	1,086,749	679,637
Net pension liability (IMRF)*	1,044,764	2,809,381	-	3,854,145	-
Net pension liability (Police Pension)*	15,633,374	-	433,802	15,199,572	-
Total OPEB liability*	1,293,816	564,386	-	1,858,202	77,370
TOTAL	\$ 20,290,209	\$ 4,797,950	\$ 2,456,744	\$ 22,631,415	\$ 1,372,007

*These liabilities are generally retired by the General Fund.

VILLAGE OF ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. LONG-TERM DEBT (Continued)

c. Changes in Long-Term Liabilities (Continued)

During the fiscal year, the following changes occurred in long-term liabilities for business-type activities (retired by the Waterworks and Sewerage Fund):

	Balances May 1, Restated	Issuances	Retirements	Balances April 30	Current Portion
General obligation bonds payable	\$ 5,245,000	\$ -	\$ 665,000	\$ 4,580,000	\$ 695,000
Unamortized premium	198,496	-	25,073	173,423	-
Compensated absences payable	220,263	310,581	286,339	244,505	143,316
Net pension liability (IMRF)	453,632	1,171,158	-	1,624,790	-
Total OPEB liability	325,722	142,086	-	467,808	19,476
TOTAL	\$ 6,443,113	\$ 1,623,825	\$ 976,412	\$ 7,090,526	\$ 857,792

d. Capital Lease

The Village entered into a lease agreement as lessee to finance the purchase of technology equipment. The lease is due in installments through its maturity on July 14, 2018 at an annual rate of 5.277%. 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.

8. INDIVIDUAL FUND DISCLOSURES

Individual fund amounts due to other funds were as follows:

Fund	Due from	Due to
General	\$ 43,608	\$ -
Internal Service Funds	-	43,608
TOTAL	\$ 43,608	\$ 43,608

The purposes of significant interfund balances are as follows:

- The balances between the General Fund and the Internal Service Funds were for short-term interfund loans.

VILLAGE OF ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. INDIVIDUAL FUND DISCLOSURES (Continued)

Individual fund advances were as follows:

Fund	Advances to	Advances from
General	\$ 654,966	\$ -
Street Improvement Fund	10,377,881	-
Downtown TIF District Fund	-	14,407,160
Water and Sewer	3,374,313	-
TOTAL	\$ 14,407,160	\$ 14,407,160

The purposes of significant advances are as follows:

- The advance from the General Fund, Street Improvement Fund, and Water/Sewer Improvement Fund to the Downtown TIF District Fund were made for TIF advances for expenses of the TIF District.

Individual fund transfers were as follows:

Fund	Transfers In	Transfers Out
General	\$ -	\$ 1,622,250
Street Improvement	801,955	36,025
Nonmajor governmental	1,058,275	201,955
TOTAL	\$ 1,860,230	\$ 1,860,230

The purposes of significant transfers are as follows:

- The General Fund transferred monies to the Debt Service Fund for upcoming debt service payments made out of that fund. The General Fund transferred surplus monies per the budget to the Parks and Street Improvement Funds.

9. CONTINGENT LIABILITIES

a. Litigation

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

9. CONTINGENT LIABILITIES (Continued)

b. Grants

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

10. DEFINED BENEFIT PENSION PLANS

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system, and the Police Pension Plan which is a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for all the plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. The Police Pension Plan does not issue a separate report on the pension plan. IMRF, however, issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from their website at www.imrf.org.

The aggregate amount of pension expense recognized for all plans was \$2,100,035 for the year ended April 30, 2019.

a. Plan Descriptions

Illinois Municipal Retirement Fund

Plan Administration

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

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

VILLAGE OF ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Plan Membership

At December 31, 2018, IMRF membership consisted of:

Inactive employees or their beneficiaries	
currently receiving benefits	52
Inactive employees entitled to but not yet receiving benefits	61
Active employees	85
 TOTAL	 198

Benefits Provided

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

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

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

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution for the fiscal year ended April 30, 2019 was 10.69% of covered payroll.

VILLAGE OF ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions

The Village's net pension liability was measured as of December 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2018
Actuarial cost method	Entry-age Normal
Assumptions	
Inflation	2.50%
Salary increases	3.39% to 14.25%
Interest rate	7.25%
Asset valuation method	Market value

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

VILLAGE OF ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.25% (7.50% for the plan year 2017). The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2018	\$ 28,597,237	\$ 27,098,841	\$ 1,498,396
Changes for the period			
Service cost	642,958	-	642,958
Interest	2,142,009	-	2,142,009
Difference between expected and actual experience	459,661	-	459,661
Changes in assumptions	1,075,268	-	1,075,268
Employer contributions	-	704,046	(704,046)
Employee contributions	-	297,345	(297,345)
Net investment income	-	(1,053,036)	1,053,036
Benefit payments and refunds	(717,199)	(717,199)	-
Administrative expense	-	391,002	(391,002)
Net changes	3,602,697	(377,842)	3,980,539
BALANCES AT DECEMBER 31, 2018	\$ 32,199,934	\$ 26,720,999	\$ 5,478,935

Changes in assumptions related to the discount rate were made since the prior measurement date.

VILLAGE OF ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

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

For the year ended December 31, 2018, the Village recognized pension expense of \$557,006.

At April 30, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 376,449	\$ 470,474
Changes in assumption	897,405	705,558
Contributions made between January 1, 2019 and April 30, 2019	208,049	-
Net difference between projected and actual earnings on pension plan investments	1,618,855	-
TOTAL	\$ 3,100,758	\$ 1,176,032

\$208,499 reported as deferred outflows of resources related to the Village contributions subsequent to the measurement date and will be recognized as a reduction of net pension liability in the reporting year ending April 30, 2020. Amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year Ending April 30,</u>	
2020	\$ 518,119
2021	224,664
2022	203,804
2023	668,660
2024	101,430
Thereafter	-
TOTAL	\$ 1,716,677

VILLAGE OF ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 7.25% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 10,453,596	\$ 5,478,935	\$ 1,534,624

Police Pension Plan

Plan Administration

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

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

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

VILLAGE OF ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Plan Membership

At April 30, 2019, the measurement date, the Police Pension Plan membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	18
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	<u>46</u>
 TOTAL	 <u><u>66</u></u>

Benefits Provided

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$117,213, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided (Continued)

each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. However, the Village has elected to fund 100% of the past service cost by 2033. For the year ended April 30, 2019, the Village's contribution was 48.52% of covered payroll.

Investment Policy

In accordance with the Police Pension Fund's (the Fund) investment policy, the Fund may invest in all investments allowed by ILCS. These include deposits/investments in insured commercial banks, savings and loan institutions, interest-bearing obligations of the U.S. Treasury and U.S. agencies, interest-bearing bonds of the State of Illinois or any county, township, or municipal corporation of the State of Illinois, direct obligations of the State of Illinois, money market mutual funds whose investments consist of obligations of the U.S. Treasury or U.S. agencies, separate accounts managed by life insurance companies, mutual funds, common and preferred stock, and The Illinois Funds.

VILLAGE OF ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Policy (Continued)

It is the policy of the Fund to invest its funds in a manner which will provide a competitive investment return with the maximum security while meeting the daily cash flow demands of the Fund and conforming to all state and local statutes governing the investment of public funds, using the “prudent person” standard for managing the overall portfolio. The primary objectives of the policy are: safety of principal, return on investment, legality, and meeting all funding requirements. The investment policy was not modified during the year ended April 30, 2019.

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

Asset Class	Target	Long-Term Expected Real Rate of Return*
Fixed income	35%	1.00% to 2.70%
Equities and alternatives	65%	3.40% to 9.90%

*Net of inflation assumption of 2.30%.

ILCS limits the Fund’s investments in equities to 65%. Securities in any one company should not exceed 5% of the total fund.

Investment Valuations

All investments except for non-negotiable certificates of deposit and money market mutual funds in the plan are stated at fair value and are recorded as of the trade date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

VILLAGE OF ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Rate of Return

For the year ended April 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.42%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Fund's deposits may not be returned to it. At April 30, 2019, all of the Fund's bank balances were collateralized in accordance with their investment policy.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for all reasonably anticipated operating requirements while providing a reasonable rate of return based on the current market.

The following table presents the investments and maturities of the Fund's debt securities and money market mutual funds as of April 30, 2019:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 2,588,483	\$ 74,579	\$ 677,751	\$ 726,016	\$ 1,110,137
U.S. agency obligations	2,851,129	-	304,424	471,017	2,075,688
Bond mutual fund	111,296	-	111,296	-	-
Corporate bonds	4,774,889	271,409	1,930,988	1,788,985	783,507
Municipal bonds	322,660	34,723	262,499	25,438	-
TOTAL	\$ 10,648,457	\$ 380,711	\$ 3,286,958	\$ 3,011,456	\$ 3,969,332

The Fund has the following recurring fair value measurements as of April 30, 2019: The U.S. Treasury obligations, equity and bond mutual funds, and equity securities are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. agency obligations, municipal bonds, and corporate bonds are valued using quoted matrix pricing models (Level 2 inputs).

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Credit Risk

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in U.S. Treasury and U.S. agency obligations and other obligations which are rated in the top three classes by a national rating agency. The U.S. agency obligations are rated AAA by Moody's and AA+ by Standard and Poor's. The corporate bonds range in rating from AAA to BBB- and AAA-BAA3 by Standard and Poor's and Moody's, respectively. The municipal bonds range in rating from AAA-AA2 by Standard and Poor's. The Illinois Funds and IMET are rated AAA.

Concentration of Credit Risk

Concentration of credit risk is the risk that the Fund has a high percentage of their investments invested in one type of investment. The Fund's investment policy requires diversification of investments to avoid unreasonable risk. There are no significant investments (other than United States Government guaranteed obligations and mutual funds) in any one organization that represent 5% or more of the Fund's investments.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Fund requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis. Securities are required to be held by a third party custodian or qualified broker/dealer as defined by 40 ILCS 5/81-113.7 (A). The money market mutual funds and equity mutual funds are not subject to custodial credit risk.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The Fund's funding policy is to have the Fund reach a funded ratio of 100% by April 30, 2033. Therefore, the Police Pension Plan's projected fiduciary net position can be expected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the Police Pension Plan's investments was applied to all periods of projected benefits payments to determine the total pension liability.

VILLAGE OF ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Changes in Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT MAY 1, 2018	\$ 44,087,227	\$ 28,453,853	\$ 15,633,374
Changes for the period			
Service cost	1,053,751	-	1,053,751
Interest	2,936,198	-	2,936,198
Difference between expected and actual experience	65,822	-	65,822
Changes in assumptions	-	-	-
Employer contributions	-	1,992,834	(1,992,834)
Employee contributions	-	415,056	(415,056)
Net investment income	-	2,117,431	(2,117,431)
Benefit payments and refunds	(1,175,988)	(1,175,988)	-
Administrative expense	-	(35,748)	35,748
Net changes	2,879,783	3,313,585	(433,802)
BALANCES AT APRIL 30, 2019	\$ 46,967,010	\$ 31,767,438	\$ 15,199,572

VILLAGE OF ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2019 using the following actuarial methods and assumptions.

Actuarial valuation date	April 30, 2019
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	4.00% to 21.51%
Interest rate	6.75%
Postretirement benefit increases	3.00%
Asset valuation method	Market Value

Mortality rates were based on the L&A 2017 Illinois Police Mortality Rates.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 6.75% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net pension liability	\$ 23,746,431	\$ 15,199,572	\$ 8,431,626

VILLAGE OF ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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

For the year ended April 30, 2019, the Village recognized police pension expense of \$1,543,029. At April 30, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 59,022	\$ 602,813
Changes in assumption	-	1,319,483
Net difference between projected and actual earnings on pension plan investments	-	3,149
TOTAL	\$ 59,022	\$ 1,925,445

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the police pension will be recognized in pension expense as follows:

Year Ending April 30,	
2020	\$ (97,326)
2021	(407,608)
2022	(296,643)
2023	(307,852)
2024	(276,570)
Thereafter	(480,424)
TOTAL	\$ (1,866,423)

VILLAGE OF ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described, the Village provides postemployment health care (OPEB) benefits for retirees and disabled employees through a single-employer defined benefit plan (the Plan). The benefits, benefit levels, employee contributions, and any employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Plan does not issue a separate report. The activity of the Plan is reported in the Village's General Fund and Waterworks and Sewerage Fund.

b. Benefits Provided

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. For certain disabled employees who qualify for health insurance benefits under the Public Safety Employee Benefits Act (PSEBA), the Village is required to pay 100% of the cost of basic health insurance for the employee and their dependents for their lifetime. 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 of Trustees and can only be amended by the Village Board of Trustees. The Plan is not accounted for as a trust fund and an irrevocable trust has not been established.

All health care benefits are provided through the Village's insured health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions. Eligibility in village-sponsored health care plans is discontinued upon eligibility for federally sponsored health care benefits.

c. Membership

At April 30, 2019, membership consisted of:

Inactive fund members or beneficiaries currently receiving benefit payments	15
Inactive fund members entitled to but not yet receiving benefit payments	-
Active fund members	<u>127</u>
TOTAL	<u><u>142</u></u>
Participating employers	<u><u>1</u></u>

VILLAGE OF ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

d. Actuarial Assumptions and Other Inputs

The total OPEB liability in the April 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Actuarial cost method	Entry-age normal
Actuarial value of assets	Not applicable
Inflation	3.00%
Salary increases	5.00%
Discount rate	3.21%
Healthcare cost trend rates	5.50% to 6.50% Initial 4.50% Ultimate
Retirees share of benefit-related costs	100% Regular Plan 0% PSEBA Eligible

The discount rate was based on the S&P Municipal Bond 20 Year High-Grade Rate Index at April 30, 2019.

Mortality rates were based on the IMRF and Police Pension rates in footnote 10.

The actuarial assumptions used in the April 30, 2019 valuation are based on 20% participation assumed, with 40% electing spouse coverage.

VILLAGE OF ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT MAY 1, 2018	<u>\$ 1,619,538</u>
Changes for the period	
Service cost	43,171
Interest	57,199
Difference between expected and actual experience	(103,808)
Changes in benefit terms	-
Changes in assumptions	797,515
Benefit payments	<u>(87,605)</u>
Net changes	<u>706,472</u>
BALANCES AT APRIL 30, 2019	<u>\$ 2,326,010</u>

There were changes in assumptions related to the discount rate and health care trend rate. In addition, there were changes to the per capita costs and decrements were changed to reflect the most recent IMRF and Police Pension Fund valuation reports.

f. Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the Village calculated using the discount rate of 3.21% as well as what the Village total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.21%) or 1 percentage point higher (4.21%) than the current rate:

	1% Decrease (2.21%)	Current Discount Rate (3.21%)	1% Increase (4.21%)
Total OPEB liability	\$ 2,635,072	\$ 2,326,010	\$ 2,073,383

VILLAGE OF ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

f. Rate Sensitivity (Continued)

The table below presents the total OPEB liability of the Village calculated using the healthcare rate of 4.50% to 5.50%-6.50% as well as what the Village's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (3.50% to 4.50%-5.50%) or 1 percentage point higher (5.50% to 6.50%-7.50%) than the current rate:

	1% Decrease (3.50% to 4.50%-5.50%)	Current Healthcare Rate (4.50% to 5.50%-6.50%)	1% Increase (5.50% to 6.50%-7.50%)
Total OPEB liability	\$ 2,045,814	\$ 2,326,010	\$ 2,669,111

g. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended April 30, 2019, the Village recognized OPEB expense of \$170,682. At April 30, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 93,287
Changes in assumptions	810,095	93,412
TOTAL	\$ 810,095	\$ 186,699

VILLAGE OF ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

- g. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ending April 30,	
2020	\$ 70,311
2021	70,311
2022	70,311
2023	70,311
2024	70,311
Thereafter	<u>271,841</u>
TOTAL	<u>\$ 623,396</u>

12. CHANGE IN ACCOUNTING PRINCIPLE

For the fiscal year ended April 30, 2019, the Village implemented GASB Statement No. 75. With the implementation, the Village is required to retroactively record the total postemployment benefit liability and write-off the net OPEB obligation.

The beginning net position reported in the government-wide financial statements has been restated to reflect the new guidance as follows:

GOVERNMENTAL ACTIVITIES

BEGINNING NET POSITION, AS PREVIOUSLY REPORTED	<u>\$ 195,832,830</u>
Write-off net OPEB obligation	468,373
Record total OPEB liability	<u>(1,293,816)</u>
Total restatement	<u>(825,443)</u>
BEGINNING NET POSITION, AS RESTATED	<u><u>\$ 195,007,387</u></u>

VILLAGE OF ALGONQUIN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. CHANGE IN ACCOUNTING PRINCIPLE (Continued)

The beginning net position reported in the business-type activities financial statements has been restated to reflect the new guidance as follows:

BUSINESS-TYPE ACTIVITIES

BEGINNING NET POSITION, AS PREVIOUSLY REPORTED	<u>\$ 58,785,927</u>
Record total OPEB liability	<u>(325,723)</u>
Total restatement	<u>(325,723)</u>
BEGINNING NET POSITION, AS RESTATED	<u>\$ 58,460,204</u>

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF ALGONQUIN, ILLINOIS

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

For the Year Ended April 30, 2019

	Original Budget	Final Budget	Actual
REVENUES			
Taxes	\$ 6,143,000	\$ 6,143,000	\$ 6,137,576
Intergovernmental, grants, and contributions	11,367,000	11,390,980	12,031,141
Charges for services	376,250	376,250	331,672
Licenses and permits	595,000	595,000	651,171
Fines and forfeits	349,000	349,000	322,254
Investment income	125,500	125,500	381,785
Miscellaneous	599,750	599,750	607,550
Total revenues	19,555,500	19,579,480	20,463,149
EXPENDITURES			
Current			
General government	4,456,000	4,416,454	4,200,215
Public safety	9,885,000	9,898,299	9,809,188
Public works	4,509,950	4,765,950	4,477,936
Debt service			
Capital lease principal	6,000	6,000	5,979
Interest and fiscal charges	1,150	1,150	370
Capital outlay	100,900	264,424	254,902
Total expenditures	18,959,000	19,352,277	18,748,590
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	596,500	227,203	1,714,559
OTHER FINANCING SOURCES (USES)			
Transfers in	182,000	182,000	177,589
Transfers (out)	(1,804,000)	(1,804,000)	(1,799,839)
Total other financing sources (uses)	(1,622,000)	(1,622,000)	(1,622,250)
NET CHANGE IN FUND BALANCE	\$ (1,025,500)	\$ (1,394,797)	92,309
FUND BALANCE, MAY 1			18,441,145
FUND BALANCE, APRIL 30			\$ 18,533,454

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DOWNTOWN TIF DISTRICT FUND**

For the Year Ended April 30, 2019

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	\$ 400,900	\$ 400,900	\$ 491,194
Donations	-	-	31,527
Investment income	100	100	373
Total revenues	401,000	401,000	523,094
EXPENDITURES			
General government			
Legal services	1,000	1,000	-
Engineering services	100,000	100,000	740,713
Capital outlay	300,000	300,000	8,779,778
Total expenditures	401,000	401,000	9,520,491
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	(8,997,397)
FUND BALANCE (DEFICIT), MAY 1			<u>(4,342,140)</u>
FUND BALANCE (DEFICIT), APRIL 30			<u><u>\$ (13,339,537)</u></u>

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Four Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2016	2017	2018	2019
Actuarially determined contribution	\$ 753,644	\$ 745,068	\$ 750,471	\$ 669,837
Contributions in relation to the actuarially determined contribution	<u>(753,644)</u>	<u>(745,068)</u>	<u>(750,471)</u>	<u>(669,837)</u>
CONTRIBUTION DEFICIENCY (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 6,631,156	\$ 6,465,839	\$ 6,547,827	\$ 6,268,862
Contributions as a percentage of covered payroll	11.37%	11.52%	11.46%	10.69%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior IMRF plan year. Additional information as of the latest valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization period was 25 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.75% to 14.50% compounded annually, wage growth of 3.50%, and inflation of 2.75%.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Actuarially determined contribution	\$ 768,620	\$ 916,506	\$ 933,392	\$ 987,225	\$ 1,010,427	\$ 1,178,898	\$ 1,239,425	\$ 1,836,961	\$ 1,899,008	\$ 1,983,552
Contributions in relation to the actuarially determined contribution	767,532	916,349	937,750	978,923	1,025,000	1,179,000	1,240,000	1,837,000	1,900,000	1,992,834
CONTRIBUTION DEFICIENCY (Excess)	\$ 1,088	\$ 157	\$ (4,358)	\$ 8,302	\$ (14,573)	\$ (102)	\$ (575)	\$ (39)	\$ (992)	\$ (9,282)
Covered payroll	\$ 3,865,273	\$ 4,008,376	\$ 4,145,760	\$ 4,221,895	\$ 4,193,768	\$ 4,151,265	\$ 4,077,186	\$ 4,250,692	\$ 4,095,714	\$ 4,107,186
Contributions as a percentage of covered payroll	19.86%	22.86%	22.62%	23.19%	24.44%	28.40%	30.41%	43.22%	46.39%	48.52%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of May 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed, and the amortization period was 16 years; the asset valuation was at five-year smoothed market value; and the significant actuarial assumptions were an investment rate of return at 6.75% annually, projected salary increases assumption of 4.00% - 21.51%, and postretirement benefit increases of 3% compounded annually.

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

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

Last Four Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018
TOTAL PENSION LIABILITY				
Service cost	\$ 756,829	\$ 727,336	\$ 716,835	\$ 642,958
Interest	1,819,378	1,956,191	2,069,862	2,142,009
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(161,237)	(547,368)	(158,856)	459,661
Changes of assumptions	40,403	(82,880)	(972,243)	1,075,268
Benefit payments, including refunds of member contributions	(550,096)	(608,099)	(596,206)	(717,199)
Net change in total pension liability	1,905,277	1,445,180	1,059,392	3,602,697
Total pension liability - beginning	24,187,388	26,092,665	27,537,845	28,597,237
TOTAL PENSION LIABILITY - ENDING	\$ 26,092,665	\$ 27,537,845	\$ 28,597,237	\$ 32,199,934
PLAN FIDUCIARY NET POSITION				
Contributions - employer	\$ 773,192	\$ 745,680	\$ 755,526	\$ 704,046
Contributions - member	304,371	295,560	301,686	297,345
Net investment income	106,029	1,484,262	3,758,504	(1,053,036)
Benefit payments, including refunds of member contributions	(550,096)	(608,099)	(596,206)	(717,199)
Administrative expense	(456,684)	54,700	(211,695)	391,002
Net change in plan fiduciary net position	176,812	1,972,103	4,007,815	(377,842)
Plan fiduciary net position - beginning	20,942,111	21,118,923	23,091,026	27,098,841
PLAN FIDUCIARY NET POSITION - ENDING	\$ 21,118,923	\$ 23,091,026	\$ 27,098,841	\$ 26,720,999
EMPLOYER'S NET PENSION LIABILITY	\$ 4,973,742	\$ 4,446,819	\$ 1,498,396	\$ 5,478,935
Plan fiduciary net position as a percentage of the total pension liability	80.94%	83.85%	94.76%	82.98%
Covered payroll	\$ 6,631,156	\$ 6,484,170	\$ 6,530,052	\$ 6,263,753
Employer's net pension liability as a percentage of covered payroll	75.01%	68.58%	22.95%	87.47%

Notes to Required Supplementary Information

There was a change with respect to actuarial assumptions from 2014 to 2015 to reflect revised expectations with respect to mortality rates, disability rates, turnover rates, and retirement rates. There was a change in the discount rate assumption from 2015 to 2016. There was a change in assumptions related to price inflation, salary increases, retirement age, and mortality rates from 2016 to 2017. There was a change in the discount rate from 2017 to 2018.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

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

Last Five Fiscal Years

MEASUREMENT DATE APRIL 30,	2015	2016	2017	2018	2019
TOTAL PENSION LIABILITY					
Service cost	\$ 806,170	\$ 861,719	\$ 1,038,677	\$ 987,120	\$ 1,053,751
Interest	2,306,932	2,602,515	2,704,064	2,778,626	2,936,198
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	481,935	(277,976)	(328,182)	(257,967)	65,822
Changes of assumptions	2,726,115	(744,218)	(1,238,868)	-	-
Benefit payments, including refunds of member contributions	(539,305)	(903,832)	(971,371)	(1,170,770)	(1,175,988)
Net change in total pension liability	5,781,847	1,538,208	1,204,320	2,337,009	2,879,783
Total pension liability - beginning	33,225,843	39,007,690	40,545,898	41,750,218	44,087,227
TOTAL PENSION LIABILITY - ENDING	\$ 39,007,690	\$ 40,545,898	\$ 41,750,218	\$ 44,087,227	\$ 46,967,010
PLAN FIDUCIARY NET POSITION					
Contributions - employer	\$ 1,179,000	\$ 1,240,000	\$ 1,837,000	\$ 1,900,000	\$ 1,992,834
Contributions - member	415,618	450,578	423,716	409,143	415,056
Net investment income	1,125,257	(67,703)	2,101,867	1,712,063	2,117,431
Benefit payments, including refunds of member contributions	(539,305)	(903,832)	(971,371)	(1,170,771)	(1,175,988)
Administrative expense	(27,755)	(28,723)	(40,032)	(43,767)	(35,748)
Net change in plan fiduciary net position	2,152,815	690,320	3,351,180	2,806,668	3,313,585
Plan fiduciary net position - beginning	19,452,870	21,605,685	22,296,005	25,647,185	28,453,853
PLAN FIDUCIARY NET POSITION - ENDING	\$ 21,605,685	\$ 22,296,005	\$ 25,647,185	\$ 28,453,853	\$ 31,767,438
EMPLOYER'S NET PENSION LIABILITY	\$ 17,402,005	\$ 18,249,893	\$ 16,103,033	\$ 15,633,374	\$ 15,199,572
Plan fiduciary net position as a percentage of the total pension liability	55.39%	54.99%	61.43%	64.54%	67.64%
Covered payroll	\$ 4,151,265	\$ 4,077,186	\$ 4,250,692	\$ 4,095,714	\$ 4,107,186
Employer's net pension liability as a percentage of covered payroll	419.20%	447.61%	378.83%	381.70%	370.07%

Notes to Required Supplementary Information

2014-2015: There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, disability rates, turnover rates, and retirement rates.

2015-2016: The discount rate used in the determination of the total pension liability was changed from 7.00% to 6.75%. Additionally, there was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, mortality improvement rates, retirement rates, disability rates, and termination rates.

2016-2017: There was a change with respect to actuarial assumptions from the prior year to include updated mortality assumptions from the MP-2016 table. Additionally, rates are being applied on a fully generational basis. These changes were made to better reflect the future anticipated experience in the fund.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN

Last Fiscal Year

MEASUREMENT DATE APRIL 30,	2019
TOTAL OPEB LIABILITY	
Service cost	\$ 43,171
Interest	57,199
Changes of benefit terms	-
Differences between expected and actual experience	(103,808)
Changes of assumptions	797,515
Benefit payments	<u>(87,605)</u>
Net change in total OPEB liability	706,472
Total OPEB liability - beginning	<u>1,619,538</u>
TOTAL OPEB LIABILITY - ENDING	<u><u>\$ 2,326,010</u></u>
Covered payroll	\$ 10,179,525
Employer's total OPEB liability as a percentage of covered payroll	22.85%

Notes to Required Supplementary Information

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

There were changes in assumptions related to the discount rate and health care trend rate. In addition, there were changes to the per capita costs and decrements were changed to reflect the most recent IMRF and Police Pension Fund valuation reports.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND

Last Five Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2015	2016	2017	2018	2019
Annual money-weighted rate of return, net of investment expense	5.77%	(0.31%)	9.37%	6.67%	7.42%

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2019

1. BUDGETS

Budgets are adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted (at the fund level) for the General, Special Revenue, Debt Service, Capital Projects, Enterprise, and Police Pension Trust Funds. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year end.

The Village follows these procedures in establishing the budgetary data reflected in the financial statements.

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.

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, gains/losses on the sales of capital assets, and pension expense adjustments are not budgeted and capital outlay and debt principal retirements (other than defeasements) are budgeted.

2. EXPENDITURES OVER BUDGET OF INDIVIDUAL FUNDS

The following funds had expenditures that exceeded budget:

<u>Fund</u>	<u>Final Budget</u>	<u>Expenditures</u>
Downtown TIF District Fund	\$ 401,000	\$ 9,520,491

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

MAJOR GOVERNMENTAL FUNDS

VILLAGE OF ALGONQUIN, ILLINOIS

COMBINING BALANCE SHEET
GENERAL FUND - BY ACCOUNT

April 30, 2019

	Operating	Public Swimming Pool	Special Revenue	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS				
Cash and cash equivalents	\$ 7,821,576	\$ 9,125	\$ 572,070	\$ 8,402,771
Investments	7,572,752	-	340,585	7,913,337
Receivables				
Property tax	5,599,988	-	-	5,599,988
Other taxes	1,996,645	-	4,682	2,001,327
Intergovernmental, grants, and contributions	1,249	-	-	1,249
IPBC	111,196	-	-	111,196
Accrued interest	28,471	-	-	28,471
Other	344,020	-	-	344,020
Due from other funds	43,608	-	-	43,608
Advance to other funds	654,966	-	-	654,966
Prepaid items	85,799	1,189	-	86,988
	<hr/>			
Total Assets	24,260,270	10,314	917,337	25,187,921
DEFERRED OUTFLOWS OF RESOURCES				
None	-	-	-	-
	<hr/>			
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
	<u>\$ 24,260,270</u>	<u>\$ 10,314</u>	<u>\$ 917,337</u>	<u>\$ 25,187,921</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 782,038	\$ 988	\$ 54,726	\$ 837,752
Unearned revenue	121,517	9,685	53,820	185,022
Other liabilities	31,705	-	-	31,705
	<hr/>			
Total liabilities	935,260	10,673	108,546	1,054,479
DEFERRED INFLOWS OF RESOURCES				
Unavailable property tax revenue	5,599,988	-	-	5,599,988
	<hr/>			
Total liabilities and deferred inflows of resources	6,535,248	10,673	108,546	6,654,467
FUND BALANCES				
Nonspendable				
Prepays	85,799	1,189	-	86,988
Advances	654,966	-	-	654,966
Restricted				
Insurance	385,160	-	-	385,160
Donor programs	295,599	-	476,547	772,146
Assigned				
Capital projects	272,317	-	-	272,317
Historic commission	9,980	-	-	9,980
Special purpose	-	-	164,169	164,169
Unassigned (deficit)	16,021,201	(1,548)	168,075	16,187,728
	<hr/>			
Total fund balances (deficit)	17,725,022	(359)	808,791	18,533,454
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
	<u>\$ 24,260,270</u>	<u>\$ 10,314</u>	<u>\$ 917,337</u>	<u>\$ 25,187,921</u>

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND - BY ACCOUNT

For the Year Ended April 30, 2019

	Operating	Public Swimming Pool	Special Revenue	Eliminations	Total
REVENUES					
Taxes	\$ 6,089,342	\$ -	\$ 48,234	\$ -	\$ 6,137,576
Intergovernmental, grants, and contributions	12,031,141	-	-	-	12,031,141
Charges for services	242,021	89,651	-	-	331,672
Licenses and permits	651,171	-	-	-	651,171
Fines and forfeits	322,254	-	-	-	322,254
Investment income	367,365	84	14,336	-	381,785
Miscellaneous	576,931	30,619	-	-	607,550
Total revenues	20,280,225	120,354	62,570	-	20,463,149
EXPENDITURES					
Current					
General government	3,924,749	262,476	12,990	-	4,200,215
Public safety	9,809,188	-	-	-	9,809,188
Public works	4,413,065	-	64,871	-	4,477,936
Debt service					
Principal	5,979	-	-	-	5,979
Interest and fiscal charges	370	-	-	-	370
Capital outlay	254,902	-	-	-	254,902
Total expenditures	18,408,253	262,476	77,861	-	18,748,590
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,871,972	(142,122)	(15,291)	-	1,714,559
OTHER FINANCING SOURCES (USES)					
Transfers in	35,000	142,589	-	(177,589)	-
Transfers (out)	(1,764,839)	-	(35,000)	177,589	(1,622,250)
Total other financing sources (uses)	(1,729,839)	142,589	(35,000)	-	(1,622,250)
NET CHANGE IN FUND BALANCES	142,133	467	(50,291)	-	92,309
FUND BALANCES (DEFICIT), MAY 1	17,582,889	(826)	859,082	-	18,441,145
FUND BALANCES (DEFICIT), APRIL 30	\$ 17,725,022	\$ (359)	\$ 808,791	\$ -	\$ 18,533,454

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND - OPERATING ACCOUNT

For the Year Ended April 30, 2019

	Original Budget	Final Budget	Actual
TAXES			
Property taxes			
Road and bridge	\$ 390,000	\$ 390,000	\$ 379,819
Social Security	450,000	450,000	450,643
Insurance	440,000	440,000	440,623
IMRF	300,000	300,000	300,429
School crossing	15,000	15,000	15,026
Police protection	2,400,000	2,400,000	2,403,423
ESDA	5,000	5,000	5,006
Police pension	1,990,000	1,990,000	1,992,834
Telecommunications tax	105,000	105,000	101,539
	<hr/>	<hr/>	<hr/>
Total taxes	6,095,000	6,095,000	6,089,342
LICENSES AND PERMITS			
Liquor licenses	118,000	118,000	116,425
Building permits	420,000	420,000	462,565
Miscellaneous licenses	57,000	57,000	72,181
	<hr/>	<hr/>	<hr/>
Total licenses and permits	595,000	595,000	651,171
INTERGOVERNMENTAL, GRANTS, AND CONTRIBUTIONS			
Income tax	3,400,000	3,400,000	3,846,671
Sales tax	7,650,000	7,650,000	7,618,630
Personal property replacement tax	61,000	61,000	51,492
Intergovernmental agreements	125,500	135,500	361,196
Grants - operating, public safety, general	-	12,002	24,941
Contributions	130,500	132,478	128,211
	<hr/>	<hr/>	<hr/>
Total intergovernmental, grants, and contributions	11,367,000	11,390,980	12,031,141
CHARGES FOR SERVICES			
Building and zoning	10,000	10,000	12,110
Park usage fees	12,000	12,000	5,892
Recreation programs	189,000	189,000	90,172
Site development fee	1,250	1,250	660
Public art impact fee	1,000	1,000	2,207

(This schedule is continued on the following page.)

VILLAGE OF ALGONQUIN, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)
GENERAL FUND - OPERATING ACCOUNT

For the Year Ended April 30, 2019

	Original Budget	Final Budget	Actual
CHARGES FOR SERVICES (Continued)			
Platting fees	\$ 2,000	\$ 2,000	\$ 21,670
Rental income	39,500	39,500	72,078
Outsourced service fees	30,000	30,000	36,710
Historical commission	500	500	150
Police training reimbursement	-	-	372
	<hr/>	<hr/>	<hr/>
Total charges for services	285,250	285,250	242,021
FINES AND FORFEITS			
County court and drug fines	168,000	168,000	145,003
County prosecution fines	15,000	15,000	10,972
Police fines	8,000	8,000	1,297
Restitution - court cases	10,500	10,500	2,537
Police accident reports	4,000	4,000	6,523
Reports, maps, and ordinance	500	500	323
Building permit fines	20,000	20,000	23,269
Towing and storage	30,000	30,000	41,245
Traffic light enforcement	-	-	4,764
Municipal fines	88,000	88,000	81,056
Maintenance fee	5,000	5,000	5,260
Administrative fees	-	-	5
	<hr/>	<hr/>	<hr/>
Total fines and forfeits	349,000	349,000	322,254
INVESTMENT INCOME			
	121,000	121,000	367,365
MISCELLANEOUS			
Cable TV franchise fees	540,000	540,000	513,038
Other receipts	34,750	34,750	63,893
	<hr/>	<hr/>	<hr/>
Total miscellaneous	574,750	574,750	576,931
TOTAL REVENUES			
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ 19,387,000	\$ 19,410,980	\$ 20,280,225

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND - OPERATING ACCOUNT**

For the Year Ended April 30, 2019

	Original Budget	Final Budget	Actual
CURRENT			
General government			
Administration			
Personnel	\$ 1,419,400	\$ 1,419,400	\$ 1,357,422
Commodities	263,100	279,576	264,376
Contractual services	887,500	892,100	950,838
Other charges	323,100	280,500	152,403
Total administration	2,893,100	2,871,576	2,725,039
Community development			
Personnel	1,023,800	928,200	889,937
Commodities	48,100	51,100	46,667
Contractual services	198,700	243,278	230,177
Other charges	16,300	46,300	32,929
Total community development	1,286,900	1,268,878	1,199,710
Total general government	4,180,000	4,140,454	3,924,749
Public safety			
Police department			
Personnel	6,079,000	6,089,682	6,109,410
Commodities	411,050	408,347	355,864
Contractual services	1,296,850	1,296,850	1,245,886
Other charges	2,098,100	2,103,420	2,098,028
Total public safety	9,885,000	9,898,299	9,809,188
Public works			
Public works administration			
Personnel	287,200	287,200	272,669
Commodities	50,500	48,500	47,217
Contractual services	71,900	71,200	58,676
Other charges	7,350	10,050	10,896
Total public works administration	416,950	416,950	389,458

(This schedule is continued on the following page.)

VILLAGE OF ALGONQUIN, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL FUND - OPERATING ACCOUNT

For the Year Ended April 30, 2019

	Original Budget	Final Budget	Actual
CURRENT (Continued)			
Public works (Continued)			
Streets department			
Personnel	\$ 2,161,000	\$ 2,161,000	\$ 2,108,015
Commodities	275,000	320,800	300,044
Contractual services	1,589,650	1,757,350	1,582,491
Other charges	37,350	39,850	33,057
Total streets department	4,063,000	4,279,000	4,023,607
Total public works	4,479,950	4,695,950	4,413,065
Debt service			
Principal	6,000	6,000	5,979
Interest and fiscal charges	1,150	1,150	370
Total debt service	7,150	7,150	6,349
Capital outlay			
General government	-	56,000	56,000
Public works	57,000	134,000	131,641
Public safety	43,900	74,424	67,261
Total capital outlay	100,900	264,424	254,902
TOTAL EXPENDITURES	\$ 18,653,000	\$ 19,006,277	\$ 18,408,253

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND - PUBLIC SWIMMING POOL ACCOUNT**

For the Year Ended April 30, 2019

	Original Budget	Final Budget	Actual
REVENUES			
Charges for services			
Swimming pool fees	\$ 34,000	\$ 34,000	\$ 35,670
Swimming daily fees	26,000	26,000	28,826
Swimming lessons	22,000	22,000	15,537
Concessions	9,000	9,000	9,618
Investment income	-	-	84
Miscellaneous	25,000	25,000	30,619
Total revenues	116,000	116,000	120,354
EXPENDITURES			
General government			
Personnel	90,250	70,250	69,685
Commodities	16,000	15,880	14,051
Contractual services	152,450	172,490	175,097
Other	4,300	4,380	3,643
Total expenditures	263,000	263,000	262,476
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(147,000)	(147,000)	(142,122)
OTHER FINANCING SOURCES (USES)			
Transfers in	147,000	147,000	142,589
Total other financing sources (uses)	147,000	147,000	142,589
NET CHANGE IN FUND BALANCE	\$ -	\$ -	467
FUND BALANCE (DEFICIT), MAY 1			(826)
FUND BALANCE (DEFICIT), APRIL 30			\$ (359)

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND - PUBLIC SWIMMING POOL ACCOUNT**

For the Year Ended April 30, 2019

	Original Budget	Final Budget	Actual
CURRENT			
General government			
Personnel			
Salary of pool employees	\$ 83,000	\$ 63,000	\$ 64,300
FICA	6,500	6,500	4,919
SUI	750	750	466
Total personnel	<u>90,250</u>	<u>70,250</u>	<u>69,685</u>
Commodities			
Office supplies	1,300	1,000	838
Concessions	6,500	6,680	6,085
Small tools and equipment	8,200	8,200	7,128
Total commodities	<u>16,000</u>	<u>15,880</u>	<u>14,051</u>
Contractual services			
Telephone	2,250	2,250	1,551
Gas - heat	4,000	4,000	3,769
Electricity	6,000	6,000	5,630
Water	5,000	5,000	4,964
Professional services	1,400	1,440	2,222
Maintenance	86,000	86,000	93,878
Insurance	7,500	7,500	7,034
Maintenance - outsourced building	40,300	60,300	56,049
Total contractual services	<u>152,450</u>	<u>172,490</u>	<u>175,097</u>
Other			
Recreation Programs	1,300	1,260	876
Travel, training, dues	1,200	1,500	1,533
Uniforms and safety items	1,800	1,620	1,234
Total other	<u>4,300</u>	<u>4,380</u>	<u>3,643</u>
TOTAL EXPENDITURES	<u><u>\$ 263,000</u></u>	<u><u>\$ 263,000</u></u>	<u><u>\$ 262,476</u></u>

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND - SPECIAL REVENUE ACCOUNT

For the Year Ended April 30, 2019

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Hotel	\$ 48,000	\$ 48,000	\$ 48,234
Investment income	4,500	4,500	14,336
Total revenues	52,500	52,500	62,570
EXPENDITURES			
General government			
Regional marketing	13,000	13,000	12,990
Public works			
Contractual services - snow removal	30,000	70,000	64,871
Total expenditures	43,000	83,000	77,861
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	9,500	(30,500)	(15,291)
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(35,000)	(35,000)	(35,000)
Total other financing sources (uses)	(35,000)	(35,000)	(35,000)
NET CHANGE IN FUND BALANCE	\$ (25,500)	\$ (65,500)	(50,291)
FUND BALANCE, MAY 1			859,082
FUND BALANCE, APRIL 30			\$ 808,791

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STREET IMPROVEMENT FUND**

For the Year Ended April 30, 2019

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Home rule sales tax	\$ 4,150,000	\$ 4,150,000	\$ 4,147,954
Utility taxes	900,000	900,000	963,975
Telecommunication taxes	280,000	280,000	268,779
Intergovernmental	-	-	22,068
Investment income	50,000	50,000	140,381
	<hr/>		
Total revenues	5,380,000	5,380,000	5,543,157
	<hr/>		
EXPENDITURES			
Public works			
Contractual services			
Legal services	10,000	10,000	6,429
Engineering services	2,035,000	1,959,500	586,137
Infrastructure maintenance	13,560,000	9,825,500	1,470,844
Capital outlay	-	-	181,924
	<hr/>		
Total expenditures	15,605,000	11,795,000	2,245,334
	<hr/>		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(10,225,000)	(6,415,000)	3,297,823
OTHER FINANCING SOURCES (USES)			
Transfers in	600,000	600,000	801,955
Transfers (out)	-	-	(36,025)
	<hr/>		
Total other financing sources (uses)	600,000	600,000	765,930
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ (9,625,000)</u>	<u>\$ (5,815,000)</u>	4,063,753
FUND BALANCE, MAY 1			<u>13,494,427</u>
FUND BALANCE, APRIL 30			<u>\$ 17,558,180</u>

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

SSA #1 Fund - to account for activities associated with improvements within established Special Service Area #1.

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.

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2019

	Special Revenue	Debt Service	Capital Projects	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS				
Cash and cash equivalents	\$ 4,374,899	\$ 1,146	\$ 152,461	\$ 4,528,506
Investments	113,100	660,621	10,845	784,566
Receivables				
Other taxes	83,036	-	-	83,036
Intergovernmental, grants, and contributions	66,506	-	-	66,506
Prepaid items	179	-	-	179
 Total assets	 4,637,720	 661,767	 163,306	 5,462,793
DEFERRED OUTFLOWS OF RESOURCES				
None	-	-	-	-
 TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	 \$ 4,637,720	 \$ 661,767	 \$ 163,306	 \$ 5,462,793
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 415,438	\$ -	\$ 7,575	\$ 423,013
 Total liabilities	 415,438	 -	 7,575	 423,013
DEFERRED INFLOWS OF RESOURCES				
None	-	-	-	-
 Total liabilities and deferred inflows of resources	 415,438	 -	 7,575	 423,013
FUND BALANCES				
Nonspendable				
Prepays	179	-	-	179
Restricted				
Street maintenance	2,269,915	-	-	2,269,915
Capital projects	192,062	-	-	192,062
Cemetery	336,577	-	-	336,577
Assigned				
Capital projects	1,423,549	-	155,731	1,579,280
Debt service	-	661,767	-	661,767
 Total fund balances	 4,222,282	 661,767	 155,731	 5,039,780
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	 \$ 4,637,720	 \$ 661,767	 \$ 163,306	 \$ 5,462,793

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended April 30, 2019

	Special Revenue	Debt Service	Capital Projects	Total
REVENUES				
Taxes	\$ 354,614	\$ -	\$ -	\$ 354,614
Intergovernmental, grants, and contributions	1,222,215	-	400	1,222,615
Charges for services	16,050	-	-	16,050
Investment income	81,535	21,755	524	103,814
Miscellaneous	23,370	-	-	23,370
Total revenues	1,697,784	21,755	924	1,720,463
EXPENDITURES				
Current				
General government	28,567	-	-	28,567
Public works	1,530,606	-	-	1,530,606
Capital outlay	505,669	-	7,575	513,244
Debt service				
Principal	-	600,000	-	600,000
Interest and fiscal charges	-	30,910	-	30,910
Total expenditures	2,064,842	630,910	7,575	2,703,327
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(367,058)	(609,155)	(6,651)	(982,864)
OTHER FINANCING SOURCES (USES)				
Transfers in	436,275	622,000	-	1,058,275
Transfers (out)	(201,955)	-	-	(201,955)
Total other financing sources (uses)	234,320	622,000	-	856,320
NET CHANGE IN FUND BALANCES	(132,738)	12,845	(6,651)	(126,544)
FUND BALANCES, MAY 1	4,355,020	648,922	162,382	5,166,324
FUND BALANCES, APRIL 30	\$ 4,222,282	\$ 661,767	\$ 155,731	\$ 5,039,780

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

April 30, 2019

	Special Revenue				Total
	Motor Fuel Tax	Parks	Cemetery	SSA #1	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
ASSETS					
Cash and cash equivalents	\$ 2,333,612	\$ 1,817,410	\$ 223,877	\$ -	\$ 4,374,899
Investments	-	-	113,100	-	113,100
Receivables					
Property tax	-	-	-	-	-
Other taxes	-	83,036	-	-	83,036
Intergovernmental, grants, and contributions	66,506	-	-	-	66,506
Prepaid items	-	-	179	-	179
Total assets	2,400,118	1,900,446	337,156	-	4,637,720
DEFERRED OUTFLOWS OF RESOURCES					
None	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 2,400,118	\$ 1,900,446	\$ 337,156	\$ -	\$ 4,637,720
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 130,203	\$ 284,835	\$ 400	\$ -	\$ 415,438
Total liabilities	130,203	284,835	400	-	415,438
DEFERRED INFLOWS OF RESOURCES					
None	-	-	-	-	-
Total liabilities and deferred inflows of resources	130,203	284,835	400	-	415,438
FUND BALANCES					
Nonspendable					
Prepays	-	-	179	-	179
Restricted					
Street maintenance	2,269,915	-	-	-	2,269,915
Capital projects	-	192,062	-	-	192,062
Cemetery	-	-	336,577	-	336,577
Assigned					
Capital projects	-	1,423,549	-	-	1,423,549
Total fund balances	2,269,915	1,615,611	336,756	-	4,222,282
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 2,400,118	\$ 1,900,446	\$ 337,156	\$ -	\$ 4,637,720

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended April 30, 2019

	Special Revenue				Total
	Motor Fuel Tax	Parks	Cemetery	SSA #1	
REVENUES					
Taxes	\$ -	\$ 343,614	\$ -	\$ 11,000	\$ 354,614
Intergovernmental, grants, and contributions	799,533	422,682	-	-	1,222,215
Charges for services	-	-	16,050	-	16,050
Investment income	56,019	20,230	5,260	26	81,535
Miscellaneous	-	-	23,370	-	23,370
Total revenues	855,552	786,526	44,680	11,026	1,697,784
EXPENDITURES					
Current					
General government	-	-	28,567	-	28,567
Public works	1,210,682	319,924	-	-	1,530,606
Capital outlay	13,148	492,521	-	-	505,669
Total expenditures	1,223,830	812,445	28,567	-	2,064,842
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(368,278)	(25,919)	16,113	11,026	(367,058)
OTHER FINANCING SOURCES (USES)					
Transfers in	36,025	400,000	250	-	436,275
Transfers (out)	-	-	-	(201,955)	(201,955)
Total other financing sources (uses)	36,025	400,000	250	(201,955)	234,320
NET CHANGE IN FUND BALANCES	(332,253)	374,081	16,363	(190,929)	(132,738)
FUND BALANCES, MAY 1	2,602,168	1,241,530	320,393	190,929	4,355,020
FUND BALANCES, APRIL 30	\$ 2,269,915	\$ 1,615,611	\$ 336,756	\$ -	\$ 4,222,282

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

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

For the Year Ended April 30, 2019

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental, grants, and contributions			
Motor fuel tax allotments	\$ 810,000	\$ 810,000	\$ 799,533
Investment income	10,000	10,000	56,019
Total revenues	820,000	820,000	855,552
EXPENDITURES			
Public works			
Materials	454,000	417,000	375,728
Engineering services	10,000	10,000	-
Maintenance	735,000	1,007,000	834,954
Capital outlay	70,000	85,000	13,148
Total expenditures	1,269,000	1,519,000	1,223,830
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(449,000)	(699,000)	(368,278)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	36,025
Total other financing sources (uses)	-	-	36,025
NET CHANGE IN FUND BALANCE	<u>\$ (449,000)</u>	<u>\$ (699,000)</u>	(332,253)
FUND BALANCE, MAY 1			<u>2,602,168</u>
FUND BALANCE, APRIL 30			<u><u>\$ 2,269,915</u></u>

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PARKS FUND**

For the Year Ended April 30, 2019

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Video gaming	\$ 120,000	\$ 120,000	\$ 116,645
Telecommunications tax	240,000	240,000	226,969
Intergovernmental	-	-	422,682
Investment income	3,100	3,100	20,230
Total revenues	363,100	363,100	786,526
EXPENDITURES			
Public works			
Wetland mitigation	12,000	12,000	11,813
Infrastructure maintenance	83,000	83,000	52,761
Ecosystem maintenance	142,000	142,000	108,224
Engineering services	206,000	206,000	147,126
Capital outlay	-	900,000	492,521
Total expenditures	443,000	1,343,000	812,445
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(79,900)	(979,900)	(25,919)
OTHER FINANCING SOURCES (USES)			
Transfers in	400,000	400,000	400,000
Total other financing sources (uses)	400,000	400,000	400,000
NET CHANGE IN FUND BALANCE	\$ 320,100	\$ (579,900)	374,081
FUND BALANCE, MAY 1			1,241,530
FUND BALANCE, APRIL 30			\$ 1,615,611

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CEMETERY FUND**

For the Year Ended April 30, 2019

	Original Budget	Final Budget	Actual
REVENUES			
Charges for services			
Opening graves and closing crypts	\$ 10,000	\$ 10,000	\$ 8,450
Perpetual care	1,000	1,000	1,750
Sale of lots	3,000	3,000	5,850
Investment income	2,000	2,000	5,260
Miscellaneous	23,000	23,000	23,370
Total revenues	39,000	39,000	44,680
EXPENDITURES			
General government			
Professional services	27,800	27,800	20,640
Grave openings	8,000	8,000	6,900
Insurance	1,100	1,100	1,027
Total expenditures	36,900	36,900	28,567
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,100	2,100	16,113
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	250
Total other financing sources (uses)	-	-	250
NET CHANGE IN FUND BALANCE	<u>\$ 2,100</u>	<u>\$ 2,100</u>	16,363
FUND BALANCE, MAY 1			<u>320,393</u>
FUND BALANCE, APRIL 30			<u><u>\$ 336,756</u></u>

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SSA#1 FUND**

For the Year Ended April 30, 2019

	Original Budget	Final Budget	Actual
REVENUES			
Taxes	\$ 11,000	\$ 11,000	\$ 11,000
Investment income	-	-	26
Total revenues	11,000	11,000	11,026
EXPENDITURES			
None	-	-	-
Total expenditures	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	11,000	11,000	11,026
OTHER FINANCING SOURCES (USES)			
Transfers (out)	-	-	(201,955)
Total other financing sources (uses)	-	-	(201,955)
NET CHANGE IN FUND BALANCE	\$ 11,000	\$ 11,000	(190,929)
FUND BALANCE, MAY 1			190,929
FUND BALANCE, APRIL 30			\$ -

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND**

For the Year Ended April 30, 2019

	Original Budget	Final Budget	Actual
REVENUES			
Investment income	\$ 10,000	\$ 10,000	\$ 21,755
Total revenues	10,000	10,000	21,755
EXPENDITURES			
Current			
Debt service			
Principal	600,000	600,000	600,000
Interest and fiscal charges	32,400	32,400	30,910
Total expenditures	632,400	632,400	630,910
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(622,400)	(622,400)	(609,155)
OTHER FINANCING SOURCES (USES)			
Transfers in	622,000	622,000	622,000
NET CHANGE IN FUND BALANCE	\$ (400)	\$ (400)	12,845
FUND BALANCE, MAY 1			648,922
FUND BALANCE, APRIL 30			\$ 661,767

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
VILLAGE EXPANSION FUND**

For the Year Ended April 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES			
Intergovernmental, grants, and contributions	\$ 12,000	\$ 12,000	\$ 400
Investment income	250	250	524
Total revenues	<u>12,250</u>	<u>12,250</u>	<u>924</u>
EXPENDITURES			
Capital Outlay	<u>-</u>	<u>7,575</u>	<u>7,575</u>
Total expenditures	<u>-</u>	<u>7,575</u>	<u>7,575</u>
NET CHANGE IN FUND BALANCE	<u>\$ 12,250</u>	<u>\$ 4,675</u>	(6,651)
FUND BALANCE, MAY 1			<u>162,382</u>
FUND BALANCE, APRIL 30			<u><u>\$ 155,731</u></u>

(See independent auditor's report.)

MAJOR ENTERPRISE FUND

VILLAGE OF ALGONQUIN, ILLINOIS

**COMBINING STATEMENT OF NET POSITION
WATERWORKS AND SEWERAGE FUND**

April 30, 2019

	Operations and Maintenance	Improvements and Extension	Total
CURRENT ASSETS			
Cash and cash equivalents	\$ 5,669,555	\$ 2,567,737	\$ 8,237,292
Investments	648,155	2,873,709	3,521,864
Receivables			
Accounts	1,136,700	6,876	1,143,576
Prepaid expenses	19,826	-	19,826
Restricted assets - investments	834,476	-	834,476
 Total current assets	 8,308,712	 5,448,322	 13,757,034
NONCURRENT ASSETS			
Advances to other funds	-	3,374,313	3,374,313
Capital assets			
Nondepreciable	4,670,557	-	4,670,557
Depreciable, net of accumulated depreciation	43,701,184	-	43,701,184
 Net capital assets	 48,371,741	 -	 48,371,741
 Total noncurrent assets	 48,371,741	 3,374,313	 51,746,054
 Total assets	 56,680,453	 8,822,635	 65,503,088
DEFERRED OUTFLOWS OF RESOURCES			
Pension items - IMRF	919,536	-	919,536
OPEB items	162,927	-	162,927
Deferred loss on refunding	103,460	-	103,460
 Total deferred outflows of resources	 1,185,923	 -	 1,185,923
 Total assets and deferred outflows of resources	 57,866,376	 8,822,635	 66,689,011

(This statement is continued on the following page.)

VILLAGE OF ALGONQUIN, ILLINOIS

COMBINING STATEMENT OF NET POSITION (Continued)
WATERWORKS AND SEWERAGE FUND

April 30, 2019

	Operations and Maintenance	Improvements and Extension	Total
CURRENT LIABILITIES			
Accounts payable	\$ 217,541	\$ 1,472,434	\$ 1,689,975
Accrued interest	11,623	-	11,623
Compensated absences payable - current	143,316	-	143,316
Total OPEB liability	19,476	-	19,476
Bonds payable - current	695,000	-	695,000
 Total current liabilities	 1,086,956	 1,472,434	 2,559,390
LONG-TERM LIABILITIES			
Compensated absences payable - long-term	101,189	-	101,189
IMRF net pension liability	1,624,790	-	1,624,790
Total OPEB liability	448,332	-	448,332
Bonds payable - long-term	4,058,423	-	4,058,423
 Total long-term liabilities	 6,232,734	 -	 6,232,734
DEFERRED INFLOWS OF RESOURCES			
Pension items - IMRF	348,755	-	348,755
OPEB items	37,549	-	37,549
 Total deferred inflows of resources	 386,304	 -	 386,304
 Total liabilities and deferred inflows of resources	 7,705,994	 1,472,434	 9,178,428
NET POSITION			
Net investment in capital assets	43,721,778	-	43,721,778
Restricted for debt service	834,476	-	834,476
Unrestricted	5,604,128	7,350,201	12,954,329
 TOTAL NET POSITION	 \$ 50,160,382	 \$ 7,350,201	 \$ 57,510,583

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
WATERWORKS AND SEWERAGE FUND

For the Year Ended April 30, 2019

	Operations and Maintenance	Improvements and Extension	Total
OPERATING REVENUES			
Charges for services			
Water and sewer revenue	\$ 7,444,448	\$ -	\$ 7,444,448
Meter sales	51,596	-	51,596
Connection fees	-	831,319	831,319
Infrastructure fees	1,324,647	-	1,324,647
Administration fee	91,763	-	91,763
Developer contributions	-	145,522	145,522
Miscellaneous	84,330	-	84,330
Total operating revenues	<u>8,996,784</u>	<u>976,841</u>	<u>9,973,625</u>
OPERATING EXPENSES			
Water operations	3,063,376	-	3,063,376
Sewer operations	2,477,969	-	2,477,969
Non departmental	-	2,027,017	2,027,017
Depreciation	3,395,945	-	3,395,945
Total operating expenses	<u>8,937,290</u>	<u>2,027,017</u>	<u>10,964,307</u>
OPERATING INCOME (LOSS)	<u>59,494</u>	<u>(1,050,176)</u>	<u>(990,682)</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment income	92,879	96,257	189,136
Interest expense and fiscal agent fees	(148,075)	-	(148,075)
Total non-operating revenues (expenses)	<u>(55,196)</u>	<u>96,257</u>	<u>41,061</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>4,298</u>	<u>(953,919)</u>	<u>(949,621)</u>
TRANSFERS			
Transfers in	573,985	1,324,647	1,898,632
Transfers (out)	(1,324,647)	(573,985)	(1,898,632)
Total transfers	<u>(750,662)</u>	<u>750,662</u>	<u>-</u>
CHANGE IN NET POSITION	<u>(746,364)</u>	<u>(203,257)</u>	<u>(949,621)</u>
NET POSITION, MAY 1	51,232,469	7,553,458	58,785,927
Change in accounting principle	(325,723)	-	(325,723)
NET POSITION, MAY 1, RESTATED	<u>50,906,746</u>	<u>7,553,458</u>	<u>58,460,204</u>
NET POSITION, APRIL 30	<u>\$ 50,160,382</u>	<u>\$ 7,350,201</u>	<u>\$ 57,510,583</u>

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL
WATERWORKS AND SEWERAGE FUND

For the Year Ended April 30, 2019

	Original Budget	Final Budget	Actual
WATER DEPARTMENT			
Personnel			
IMRF	\$ 122,000	\$ 122,000	\$ 110,361
FICA	83,000	83,000	78,963
Unemployment tax	1,800	1,800	1,407
Health insurance	185,000	185,000	174,413
Salaries	1,040,000	1,040,000	1,035,917
Overtime	30,000	53,500	53,442
Commodities			
Meters	17,500	3,500	3,005
Office supplies	550	550	257
Materials	18,050	18,050	6,583
Chemicals	185,000	157,100	154,722
Postage	26,000	26,000	25,280
Small tools and equipment	9,000	9,000	7,740
Fuel	18,000	18,000	18,795
Lab supplies	9,900	9,900	9,266
Office furniture and equipment	1,000	1,000	750
IT equipment and supplies	43,800	45,200	42,237
Contractual services			
Utilities	283,600	296,600	272,398
Legal services	4,000	4,000	1,242
Audit services	5,100	5,100	4,666
Professional services	209,700	209,700	198,880
Insurance	65,000	65,000	63,108
Publications	1,250	1,250	445
Printing	3,650	3,650	3,585
Physical exams	1,600	1,600	398
Travel, training, dues	8,500	16,500	10,585
Bank processing fees	25,000	25,000	24,887
Equipment rental	1,000	1,000	888
ACH rebates	21,000	21,000	22,761
Uniforms	10,200	10,200	6,509
Maintenance			
Wells	126,100	126,100	117,184
Booster station	23,500	10,500	11,355
Maintenance storage facility	14,500	6,500	8,870
Treatment facility	375,750	440,750	436,723
Distribution system	47,950	47,950	47,426
Vehicle maintenance	24,000	24,000	23,066
Building maintenance	106,000	106,000	83,908
Maintenance - other	800	800	503
Equipment maintenance	26,000	26,000	21,195
 Total water department	 3,174,800	 3,222,800	 3,083,720

(This schedule is continued on the following pages.)

VILLAGE OF ALGONQUIN, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL (Continued)
WATERWORKS AND SEWERAGE FUND

For the Year Ended April 30, 2019

	Original Budget	Final Budget	Actual
SEWER DEPARTMENT			
Personnel			
IMRF	\$ 110,000	\$ 110,000	\$ 99,781
FICA	75,000	75,000	71,777
Unemployment tax	1,650	1,650	1,410
Health insurance	160,000	160,000	130,075
Salaries	941,000	941,000	942,716
Overtime	25,000	41,000	40,944
Commodities			
Meters	17,500	17,500	3,424
Office supplies	550	550	359
Materials	18,800	18,800	10,736
Chemicals	238,000	106,600	52,754
Postage	26,000	26,000	25,127
Vehicles and equipment	-	8,000	8,000
Small tools and equipment	17,000	35,000	26,134
Fuel	13,000	13,000	16,025
Lab supplies	6,900	6,900	5,755
Office furniture and equipment	500	500	490
IT equipment and supplies	42,100	43,500	40,643
Contractual services			
Utilities	353,000	359,000	301,997
Legal services	4,000	4,000	1,417
Audit services	5,100	5,100	4,666
Engineering services	29,000	29,000	3,000
Professional services	164,900	164,900	129,781
Insurance	63,000	63,000	55,710
Publications	1,100	1,100	529
Printing	1,000	1,000	974
Physical exams	1,600	1,600	359
Sludge removal	121,500	121,500	87,927
Travel, training, dues	7,300	7,300	6,737
Bank processing fees	25,000	25,000	24,887
ACH rebates	21,000	21,000	22,864
Uniforms	12,500	12,500	8,719
Maintenance			
Treatment facility	148,400	148,400	129,995
Lift station	50,700	80,700	52,011
Collection station	22,500	32,500	31,834
Vehicle maintenance	30,000	30,000	32,160
Building maintenance	106,000	106,000	89,244
Equipment maintenance	29,000	29,000	35,545
Other	1,100	1,100	580
Total sewer department	<u>2,890,700</u>	<u>2,848,700</u>	<u>2,497,086</u>

(This schedule is continued on the following page.)

VILLAGE OF ALGONQUIN, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL (Continued)
 WATERWORKS AND SEWERAGE FUND

For the Year Ended April 30, 2019

	Original Budget	Final Budget	Actual
NONDEPARTMENTAL			
Contractual services			
Legal services	\$ 15,000	\$ 15,000	\$ 2,231
Engineering services	1,742,000	1,279,800	22,210
Infrastructure maintenance	1,850,000	1,960,200	2,001,923
Capital outlay	1,890,000	1,254,000	601,693
Total nondepartmental	5,497,000	4,509,000	2,628,057
TOTAL WATER AND SEWER OPERATIONS	\$ 11,562,500	\$ 10,580,500	8,208,863
ADJUSTMENTS TO GAAP BASIS			
Water Department			
Pension and OPEB expense			(20,344)
Total water department			(20,344)
Sewer Department			
Pension and OPEB expense			(19,117)
Total sewer department			(19,117)
Capitalized assets			(601,040)
Depreciation			3,395,945
TOTAL WATER AND SEWER OPERATIONS - GAAP BASIS			\$ 10,964,307

(See independent auditor's report.)

INTERNAL SERVICE FUNDS

VILLAGE OF ALGONQUIN, ILLINOIS

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS**

April 30, 2019

	Building Service Fund	Vehicle Maintenance Fund	Total
CURRENT ASSETS			
Cash and cash equivalents	\$ 918	\$ -	\$ 918
Receivables			
Accounts	-	17,915	17,915
Inventory	39,725	84,147	123,872
Total current assets	40,643	102,062	142,705
CAPITAL ASSETS			
Depreciable, net of accumulated depreciation	12,344	76,930	89,274
Net capital assets	12,344	76,930	89,274
Total assets	52,987	178,992	231,979
CURRENT LIABILITIES			
Accounts payable	34,470	42,408	76,878
Due to other funds	-	43,608	43,608
Total current liabilities	34,470	86,016	120,486
NET POSITION			
Net investment in capital assets	12,344	76,930	89,274
Unrestricted	6,173	16,046	22,219
TOTAL NET POSITION	\$ 18,517	\$ 92,976	\$ 111,493

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS

For the Year Ended April 30, 2019

	Building Service Fund	Vehicle Maintenance Fund	Total
OPERATING REVENUES			
Charges for services			
Maintenance billings	\$ 846,480	\$ 688,314	\$ 1,534,794
Fire district fuel	-	49,146	49,146
Fuel billings	-	197,356	197,356
Fleet maintenance	-	136,532	136,532
Miscellaneous	1,042	461	1,503
Total operating revenues	847,522	1,071,809	1,919,331
OPERATING EXPENSES			
Personnel	456,530	387,016	843,546
Contractual services	4,975	15,789	20,764
Supplies and materials	127,048	538,551	665,599
Maintenance	244,272	97,265	341,537
Other charges	14,697	33,190	47,887
Depreciation	6,173	16,047	22,220
Total operating expenses	853,695	1,087,858	1,941,553
OPERATING INCOME (LOSS)	(6,173)	(16,049)	(22,222)
NON-OPERATING REVENUES (EXPENSES)			
None	-	-	-
Total non-operating revenues (expenses)	-	-	-
CHANGE IN NET POSITION	(6,173)	(16,049)	(22,222)
NET POSITION, MAY 1	24,690	109,025	133,715
NET POSITION, APRIL 30	\$ 18,517	\$ 92,976	\$ 111,493

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

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

For the Year Ended April 30, 2019

	Building Service Fund	Vehicle Maintenance Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ -	\$ 383,034	\$ 383,034
Cash received for interfund services provided	846,480	676,018	1,522,498
Payments to suppliers	(373,594)	(689,066)	(1,062,660)
Payments to employees	(456,530)	(387,016)	(843,546)
Other receipts (payments)	1,042	461	1,503
Net cash from operating activities	17,398	(16,569)	829
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Interfund transactions	(16,480)	16,569	89
Net cash from noncapital financing activities	(16,480)	16,569	89
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
None	-	-	-
Net cash from capital and related financing activities	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
None	-	-	-
Net cash from investing activities	-	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	918	-	918
CASH AND CASH EQUIVALENTS, MAY 1	-	-	-
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 918	\$ -	\$ 918

(This statement is continued on the following page.)

VILLAGE OF ALGONQUIN, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS (Continued)
INTERNAL SERVICE FUNDS

For the Year Ended April 30, 2019

	Building Service Fund	Vehicle Maintenance Fund	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ (6,173)	\$ (16,049)	\$ (22,222)
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation	6,173	16,047	22,220
Increase (decrease) in			
Accounts receivable	-	(12,296)	(12,296)
Inventory	7,435	10,220	17,655
Accounts payable	9,963	(14,491)	(4,528)
	23,571	(520)	23,051
NET CASH FROM OPERATING ACTIVITIES	\$ 17,398	\$ (16,569)	\$ 829

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL - BUDGETARY BASIS
BUILDING SERVICE FUND**

For the Year Ended April 30, 2019

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Maintenance billings	\$ 930,200	\$ 930,200	\$ 846,480
Miscellaneous	-	-	1,042
	<hr/>		
Total operating revenues	930,200	930,200	847,522
<hr/>			
OPERATING EXPENSES			
Personnel	486,700	486,700	456,530
Contractual services	9,400	9,100	4,975
Supplies and materials	154,600	154,200	127,048
Maintenance	263,000	263,000	244,272
Other charges	16,500	17,500	14,697
	<hr/>		
Total operating expenses	930,200	930,500	847,522
<hr/>			
CHANGE IN NET POSITION (BUDGETARY BASIS)	\$ -	\$ (300)	-
<hr/>			
ADJUSTMENTS TO GAAP BASIS			
Depreciation			6,173
	<hr/>		
Total adjustments to GAAP basis			6,173
<hr/>			
CHANGE IN NET POSITION (GAAP BASIS)			(6,173)
<hr/>			
NET POSITION, MAY 1			24,690
<hr/>			
NET POSITION, APRIL 30			\$ 18,517
<hr/>			

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL
BUILDING SERVICE FUND

For the Year Ended April 30, 2019

	Original Budget	Final Budget	Actual
OPERATING EXPENSES			
Personnel			
IMRF	\$ 42,000	\$ 42,000	\$ 34,717
FICA	29,000	29,000	25,597
SUI	700	700	476
Health insurance	56,000	56,000	51,286
Salaries	347,000	347,000	325,690
Overtime	12,000	12,000	18,764
Total personnel	486,700	486,700	456,530
Contractual services			
Telephone	5,300	5,000	4,418
Professional services	2,750	2,750	54
Publications	500	500	16
Printing and advertising	50	50	-
Physical exams	300	300	84
Equipment rental	500	500	403
Total contractual services	9,400	9,100	4,975
Supplies and materials			
Office supplies	150	150	129
Postage	500	500	-
Building supplies	140,950	140,950	115,117
Tools, equipment, and supplies	10,000	9,600	9,121
Fuel	3,000	3,000	2,681
Total supplies and materials	154,600	154,200	127,048
Maintenance			
Vehicle maintenance	6,000	6,000	4,995
Equipment maintenance	7,000	7,000	1,462
Outsourced building maintenance	249,000	249,000	237,127
Office equipment maintenance	1,000	1,000	688
Total maintenance	263,000	263,000	244,272
Other charges			
Travel, training, and dues	12,050	12,050	9,650
Uniforms and safety items	4,450	5,450	5,047
Total other charges	16,500	17,500	14,697
TOTAL OPERATING EXPENSES	\$ 930,200	\$ 930,500	\$ 847,522

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL - BUDGETARY BASIS
VEHICLE MAINTENANCE FUND

For the Year Ended April 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
OPERATING REVENUES			
Charges for services			
Maintenance billings	\$ 847,700	\$ 847,700	\$ 688,314
Fire district fuel	39,000	39,000	49,146
Fuel billings	191,000	191,000	197,356
Fleet maintenance	90,000	90,000	136,532
Miscellaneous	-	-	461
	<hr/>	<hr/>	<hr/>
Total operating revenues	1,167,700	1,167,700	1,071,809
	<hr/>	<hr/>	<hr/>
OPERATING EXPENSES			
Personnel	395,000	395,000	387,016
Contractual services	22,600	22,600	15,789
Supplies and materials	572,700	572,700	538,551
Maintenance	137,500	137,500	97,265
Other charges	39,900	39,900	33,190
	<hr/>	<hr/>	<hr/>
Total operating expenses	1,167,700	1,167,700	1,071,811
	<hr/>	<hr/>	<hr/>
CHANGE IN NET POSITION (BUDGETARY BASIS)	\$ -	\$ -	(2)
	<hr/>	<hr/>	<hr/>
ADJUSTMENTS TO GAAP BASIS			
Depreciation			<hr/> 16,047
			<hr/>
Total adjustments to GAAP basis			16,047
			<hr/>
CHANGE IN NET POSITION (GAAP BASIS)			(16,049)
			<hr/>
NET POSITION, MAY 1			109,025
			<hr/>
NET POSITION, APRIL 30			\$ 92,976
			<hr/> <hr/>

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL
VEHICLE MAINTENANCE FUND

For the Year Ended April 30, 2019

	Original Budget	Final Budget	Actual
OPERATING EXPENSES			
Personnel			
IMRF	\$ 34,000	\$ 34,000	\$ 29,170
FICA	23,500	23,500	21,393
SUI	600	600	443
Health insurance	48,000	48,000	46,990
Salaries	281,000	281,000	282,391
Overtime	7,900	7,900	6,629
Total personnel	<u>395,000</u>	<u>395,000</u>	<u>387,016</u>
Contractual services			
Telephone	4,500	4,500	4,841
Professional services	10,150	10,150	7,112
Publications	4,900	4,900	1,500
Printing and advertising	50	50	-
Physical exams	-	-	208
Equipment rental	3,000	3,000	2,128
Total contractual services	<u>22,600</u>	<u>22,600</u>	<u>15,789</u>
Supplies and materials			
Office supplies	200	400	216
Postage	500	500	-
Tools, equipment, and supplies	9,500	9,300	8,288
Fuel	232,500	232,500	248,307
Oil, lubricants, and fluids	330,000	330,000	281,740
Total supplies and materials	<u>572,700</u>	<u>572,700</u>	<u>538,551</u>
Maintenance			
Vehicle maintenance	4,000	4,000	3,441
Equipment maintenance	2,500	2,500	904
Building maintenance	60,000	60,000	56,139
Outsourced vehicle and equipment maintenance	1,000	1,000	688
Office equipment maintenance	70,000	70,000	36,093
Total maintenance	<u>137,500</u>	<u>137,500</u>	<u>97,265</u>
Other charges			
Capital purchase	25,000	25,000	21,866
Travel, training, and dues	5,800	4,800	3,282
Uniforms and safety items	9,100	10,100	8,042
Total other charges	<u>39,900</u>	<u>39,900</u>	<u>33,190</u>
TOTAL OPERATING EXPENSES	<u>\$ 1,167,700</u>	<u>\$ 1,167,700</u>	<u>\$ 1,071,811</u>

(See independent auditor's report.)

FIDUCIARY FUNDS

VILLAGE OF ALGONQUIN, ILLINOIS

SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION -
BUDGET AND ACTUAL
POLICE PENSION FUND

For the Year Ended April 30, 2019

	Original Budget	Final Budget	Actual
ADDITIONS			
Contributions			
Employer	\$ 1,990,000	\$ 1,990,000	\$ 1,992,834
Employee	427,500	427,500	415,056
Total contributions	2,417,500	2,417,500	2,407,890
Investment income			
Net appreciation in fair value of investments	-	-	1,422,029
Interest	1,850,000	1,850,000	810,031
Total investment income	1,850,000	1,850,000	2,232,060
Less investment expense	(90,000)	(115,000)	(114,628)
Net investment income	1,760,000	1,735,000	2,117,432
Total additions	4,177,500	4,152,500	4,525,322
DEDUCTIONS			
Pension benefits	1,315,000	1,290,000	1,175,988
Administrative expenses	51,000	51,000	35,748
Total deductions	1,366,000	1,341,000	1,211,736
CHANGE IN NET POSITION	\$ 2,811,500	\$ 2,811,500	3,313,586
NET POSITION RESTRICTED FOR PENSIONS			
May 1			28,453,853
April 30			\$ 31,767,439

(See independent auditor's report.)

SUPPLEMENTAL SCHEDULES

VILLAGE OF ALGONQUIN, ILLINOIS

**ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY ACT
CONSOLIDATED YEAR END FINANCIAL REPORT**

For the Year Ended April 30, 2019

CSFA Number	Program Name	State	Federal	Other	Total
444-26-1565	Tobacco Enforcement Program	\$ 2,640	\$ -	\$ -	2,640
494-00-0967	High-Growth Cities Program	36,827	-	-	36,827
494-00-1488	Motor Fuel Tax Program	1,187,003	-	-	1,187,003
494-10-0343	State and Community Highway Safety/ National Priority Safety Program	-	15,434	-	15,434
	Other grant program and activities	2,800	22,068	-	24,868
	All other costs not allocated	-	-	35,416,779	35,416,779
TOTALS		\$ 1,229,270	\$ 37,502	\$ 35,416,779	\$ 36,683,551

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING
BOND SERIES OF 2013 WATER AND SEWER**

April 30, 2019

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

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	October 1		April 1		Total
	Interest	Principal	Interest		
2020	\$ 69,738	\$ 695,000	\$ 69,738	\$ 834,476	
2021	59,313	715,000	59,313	833,626	
2022	48,588	755,000	48,588	852,176	
2023	37,263	770,000	37,263	844,526	
2024	25,713	815,000	25,713	866,426	
2025	13,488	830,000	13,488	856,976	
	<u>\$ 254,103</u>	<u>\$ 4,580,000</u>	<u>\$ 254,103</u>	<u>\$ 5,088,206</u>	

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING
BOND SERIES OF 2014A DEBT SERVICE**

April 30, 2019

Date of Issue January 21, 2014
Date of Maturity April 1, 2020
Interest Rate 2.00% to 2.50%
Interest Dates October 1 and April 1
Payable at BNY Midwest Trust Company

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	October 1		April 1		Total
	Interest	Principal	Interest		
2020	\$ 7,688	\$ 615,000	\$ 7,688	\$ 630,376	
	\$ 7,688	\$ 615,000	\$ 7,688	\$ 630,376	

(See independent auditor's report.)

STATISTICAL SECTION

This part of the Village of Algonquin, Illinois' 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(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	107-116
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	117-122
Debt Capacity These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.	123-126
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	127-128
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.	129-131

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

VILLAGE OF ALGONQUIN, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	2010	2011	2012	2013
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 176,607,596	\$ 175,520,012	\$ 177,068,931	\$ 181,677,850
Restricted	7,376,272	7,503,441	2,266,916	1,860,785
Unrestricted	7,055,416	8,606,808	15,271,626	17,932,292
TOTAL GOVERNMENTAL ACTIVITIES	\$ 191,039,284	\$ 191,630,261	\$ 194,607,473	\$ 201,470,927
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	\$ 63,883,643	\$ 60,837,070	\$ 57,848,186	\$ 55,074,145
Restricted	920,000	817,000	1,523,000	872,688
Unrestricted	5,027,550	7,274,331	8,938,628	13,150,719
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 69,831,193	\$ 68,928,401	\$ 68,309,814	\$ 69,097,552
PRIMARY GOVERNMENT				
Net investment in capital assets	\$ 240,491,239	\$ 236,357,082	\$ 234,917,117	\$ 236,751,995
Restricted	8,296,272	8,320,441	3,789,916	2,733,473
Unrestricted	12,082,966	15,881,139	24,210,254	31,083,011
TOTAL PRIMARY GOVERNMENT	\$ 260,870,477	\$ 260,558,662	\$ 262,917,287	\$ 270,568,479

*The Village implemented GASB Statement No. 68 for the fiscal year ended April 30, 2016.

**The Village implemented GASB Statement No. 75 for the fiscal year ended April 30, 2019.

Data Source

Audited Financial Statements

2014	2015	2016*	2017	2018	2019**
\$ 179,276,332	\$ 181,340,289	\$ 179,194,896	\$ 181,389,998	\$ 183,768,380	\$ 190,831,120
2,309,292	3,055,239	3,114,451	6,534,289	4,548,278	3,955,860
21,967,034	24,222,228	8,095,190	2,549,697	7,516,172	2,899,101
<u>\$ 203,552,658</u>	<u>\$ 208,617,756</u>	<u>\$ 190,404,537</u>	<u>\$ 190,473,984</u>	<u>\$ 195,832,830</u>	<u>\$ 197,686,081</u>
\$ 54,136,285	\$ 52,805,499	\$ 49,930,507	\$ 47,453,693	\$ 45,841,568	\$ 43,721,778
866,338	830,426	806,625	808,325	824,426	834,476
13,024,609	11,375,018	10,973,454	11,540,473	12,119,933	12,954,329
<u>\$ 68,027,232</u>	<u>\$ 65,010,943</u>	<u>\$ 61,710,586</u>	<u>\$ 59,802,491</u>	<u>\$ 58,785,927</u>	<u>\$ 57,510,583</u>
\$ 233,412,617	\$ 234,145,788	\$ 229,125,403	\$ 228,843,691	\$ 229,609,948	\$ 234,552,898
3,175,630	3,885,665	3,921,076	7,342,614	5,372,704	4,790,336
34,991,643	35,597,246	19,068,644	14,090,170	19,636,105	15,853,430
<u>\$ 271,579,890</u>	<u>\$ 273,628,699</u>	<u>\$ 252,115,123</u>	<u>\$ 250,276,475</u>	<u>\$ 254,618,757</u>	<u>\$ 255,196,664</u>

VILLAGE OF ALGONQUIN, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2010	2011	2012	2013
EXPENSES				
Governmental activities				
General government	\$ 4,511,797	\$ 4,538,951	\$ 4,742,261	\$ 4,682,238
Public safety	7,924,602	8,086,707	8,267,862	8,668,334
Public works	12,154,994	8,930,380	8,872,523	8,059,774
Interest	395,572	344,884	345,353	190,092
Total governmental activities expenses	24,986,965	21,900,922	22,227,999	21,600,438
BUSINESS-TYPE ACTIVITIES				
Water and sewer	16,311,087	8,578,470	8,551,752	8,738,058
Total business-type activities expenses	16,311,087	8,578,470	8,551,752	8,738,058
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 41,298,052	\$ 30,479,392	\$ 30,779,751	\$ 30,338,496
PROGRAM REVENUES				
Governmental activities				
Charges for services				
General government	\$ 732,201	\$ 718,779	\$ 883,440	\$ 1,470,286
Public safety	1,223,423	977,767	1,003,544	1,022,031
Public works	21,704	14,989	26,448	52,023
Operating grants and contributions	971,168	1,191,828	1,278,892	1,288,203
Capital grants and contributions	1,579,772	368,995	1,783,794	4,130,903
Total governmental activities program revenues	4,528,268	3,272,358	4,976,118	7,963,446
Business-type activities				
Charges for services				
Water/sewer	5,201,422	5,450,665	5,596,381	7,858,350
Operating grants and contributions	37,071	54,112	112,067	-
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	5,238,493	5,504,777	5,708,448	7,858,350
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 9,766,761	\$ 8,777,135	\$ 10,684,566	\$ 15,821,796
NET (EXPENSE) REVENUE				
Governmental activities	\$ (20,458,697)	\$ (18,628,564)	\$ (17,251,881)	\$ (13,636,992)
Business-type activities	(11,072,594)	(3,073,693)	(2,843,304)	(879,708)
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	\$ (31,531,291)	\$ (21,702,257)	\$ (20,095,185)	\$ (14,516,700)

	2014	2015	2016*	2017	2018	2019
\$	4,538,905	\$ 5,218,534	\$ 5,526,982	\$ 4,950,693	\$ 4,117,420	\$ 5,000,206
	8,842,616	9,089,370	9,516,306	9,649,552	9,111,816	9,439,213
	10,521,914	11,339,697	10,339,204	12,779,514	10,361,180	11,110,272
	160,780	93,117	58,580	46,848	34,363	21,478
	<u>24,064,215</u>	<u>25,740,718</u>	<u>25,441,072</u>	<u>27,426,607</u>	<u>23,624,779</u>	<u>25,571,169</u>
	8,487,380	9,580,289	9,514,803	9,066,657	9,731,632	11,112,382
	8,487,380	9,580,289	9,514,803	9,066,657	9,731,632	11,112,382
\$	<u>32,551,595</u>	<u>35,321,007</u>	<u>34,955,875</u>	<u>36,493,264</u>	<u>33,356,411</u>	<u>36,683,551</u>
\$	886,332	\$ 821,200	\$ 1,282,209	\$ 1,058,488	\$ 1,286,862	\$ 1,165,023
	1,062,432	932,375	498,868	409,390	364,744	283,432
	27,637	7,157	-	18,103	-	-
	1,218,237	1,942,714	1,218,006	1,144,420	1,117,302	1,232,259
	1,616,727	3,851,095	425,781	394,426	1,700,083	490,530
	<u>4,811,365</u>	<u>7,554,541</u>	<u>3,424,864</u>	<u>3,024,827</u>	<u>4,468,991</u>	<u>3,171,244</u>
	6,073,440	6,079,733	6,909,153	7,032,664	8,480,944	9,889,295
	687,145	2,681	-	-	-	-
	-	390,177	-	-	-	-
	<u>6,760,585</u>	<u>6,472,591</u>	<u>6,909,153</u>	<u>7,032,664</u>	<u>8,480,944</u>	<u>9,889,295</u>
\$	<u>11,571,950</u>	<u>14,027,132</u>	<u>10,334,017</u>	<u>10,057,491</u>	<u>12,949,935</u>	<u>13,060,539</u>
\$	(19,252,850)	\$ (18,186,177)	\$ (22,016,208)	\$ (24,401,780)	\$ (19,155,788)	\$ (22,399,925)
	(1,726,795)	(3,107,698)	(2,605,650)	(2,033,993)	(1,250,688)	(1,223,087)
\$	<u>(20,979,645)</u>	<u>(21,293,875)</u>	<u>(24,621,858)</u>	<u>(26,435,773)</u>	<u>(20,406,476)</u>	<u>(23,623,012)</u>

VILLAGE OF ALGONQUIN, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2010	2011	2012	2013
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental activities				
Taxes				
Property	\$ 5,939,181	\$ 5,960,733	\$ 6,000,829	\$ 5,904,067
Home rule sales tax	-	-	-	-
Utility	947,168	1,015,552	963,634	999,135
Other	866,264	1,189,334	1,438,886	1,220,371
Intergovernmental - unrestricted				
Sales and use tax	7,550,234	8,030,266	8,630,053	9,023,020
Income tax	2,676,478	2,817,443	3,003,337	3,294,417
Franchise fees	-	-	-	-
Investment income	215,056	192,446	177,276	74,537
Miscellaneous	361,469	13,767	15,078	17,146
Total governmental activities	18,555,850	19,219,541	20,229,093	20,532,693
Business-type activities				
Sales	2,282,512	2,140,901	2,189,131	1,665,803
Investment income	51,431	30,000	35,586	45,222
Miscellaneous	-	-	-	-
Total business-type activities	2,333,943	2,170,901	2,224,717	1,711,025
TOTAL PRIMARY GOVERNMENT	\$ 20,889,793	\$ 21,390,442	\$ 22,453,810	\$ 22,243,718
CHANGE IN NET POSITION				
Governmental activities	\$ (1,902,847)	\$ 590,977	\$ 2,977,212	\$ 6,895,701
Business-type activities	(8,738,651)	(902,792)	(618,587)	831,317
TOTAL PRIMARY GOVERNMENT	\$ (10,641,498)	\$ (311,815)	\$ 2,358,625	\$ 7,727,018

*Beginning in fiscal year 2016, home rule sales tax and franchise fees are presented separately from sales and use tax and other taxes, respectively.

Data Source

Audited Financial Statements

	2014	2015	2016*	2017	2018	2019
\$	5,874,845	\$ 5,844,048	\$ 5,937,891	\$ 6,266,415	\$ 6,376,663	\$ 6,489,997
	-	-	4,120,849	4,227,205	4,187,426	4,147,954
	998,361	951,723	899,377	923,668	919,160	963,975
	1,150,583	1,219,631	869,147	870,321	792,159	762,167
	10,129,119	11,459,955	7,635,490	7,704,133	7,733,394	7,618,630
	3,393,115	3,699,105	3,899,246	3,645,402	3,576,767	3,898,163
	-	-	546,474	547,683	531,436	513,038
	(219,130)	69,180	111,774	139,744	276,459	626,353
	7,688	7,633	293,938	146,656	121,170	58,342
	21,334,581	23,251,275	24,314,186	24,471,227	24,514,634	25,078,619
	742,925	-	-	-	-	-
	(205,050)	72,105	24,551	55,540	147,987	189,136
	118,600	19,304	80,427	70,358	86,137	84,330
	656,475	91,409	104,978	125,898	234,124	273,466
\$	21,991,056	\$ 23,342,684	\$ 24,419,164	\$ 24,597,125	\$ 24,748,758	\$ 25,352,085
\$	2,081,731	\$ 5,065,098	\$ 2,297,978	\$ 69,447	\$ 5,358,846	\$ 2,678,694
	(1,070,320)	(3,016,289)	(2,500,672)	(1,908,095)	(1,016,564)	(949,621)
\$	1,011,411	\$ 2,048,809	\$ (202,694)	\$ (1,838,648)	\$ 4,342,282	\$ 1,729,073

VILLAGE OF ALGONQUIN, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2010	2011	2012	2013
GENERAL FUND				
Reserved	\$ 820,482	\$ 1,087,729	N/A	N/A
Unreserved - designated	630,847	631,745	N/A	N/A
Unreserved - undesignated	8,031,591	8,981,623	N/A	N/A
Nonspendable	N/A	N/A	\$ 104,327	\$ 128,636
Restricted	N/A	N/A	-	-
Committed	N/A	N/A	-	-
Assigned	N/A	N/A	-	-
Unassigned	N/A	N/A	13,237,235	14,576,319
TOTAL GENERAL FUND	\$ 9,482,920	\$ 10,701,097	\$ 13,341,562	\$ 14,704,955
ALL OTHER GOVERNMENTAL FUNDS				
Reserved	\$ 6,633,759	\$ 6,506,815	N/A	N/A
Unreserved, reported in				
Special Revenue Fund	2,363,027	3,001,419	N/A	N/A
Capital Projects Fund	129,144	130,320	N/A	N/A
Debt Service Fund	-	-	N/A	N/A
Nonspendable	N/A	N/A	\$ 225	\$ 235
Restricted	N/A	N/A	2,266,916	1,860,785
Committed	N/A	N/A	-	-
Assigned	N/A	N/A	5,247,710	6,098,107
Unassigned	N/A	N/A	(94,471)	-
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 9,125,930	\$ 9,638,554	\$ 7,420,380	\$ 7,959,127
TOTAL FUND BALANCES	\$ 18,608,850	\$ 20,339,651	\$ 20,761,942	\$ 22,664,082

Note: The Village implemented GASB Statement No. 54 for the fiscal year ended April 30, 2012.

N/A - Not applicable

Data Source

Audited Financial Statements

	2014	2015	2016	2017	2018	2019
	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
\$	87,013	\$ 86,209	\$ 706,122	\$ 735,904	\$ 737,981	\$ 741,954
	-	578,255	395,843	1,440,207	1,261,957	1,157,306
	-	-	-	271,471	276,168	282,297
	-	-	-	-	-	-
	14,953,584	15,176,721	16,469,895	14,551,378	16,165,039	16,187,728
\$	15,040,597	\$ 15,841,185	\$ 17,571,860	\$ 16,998,960	\$ 18,441,145	\$ 18,369,285
	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
\$	167	\$ 166	\$ 135	\$ 169	\$ 151	\$ 179
	2,309,292	2,476,984	3,114,451	4,475,414	3,286,321	2,798,554
	-	-	-	-	-	-
	7,180,275	8,236,873	12,921,405	10,291,077	15,374,279	19,799,227
	-	(279,467)	(834,949)	(1,672,058)	(4,342,140)	(13,339,537)
\$	9,489,734	\$ 10,434,556	\$ 15,201,042	\$ 13,094,602	\$ 14,318,611	\$ 9,258,423
\$	24,530,331	\$ 26,275,741	\$ 32,772,902	\$ 30,093,562	\$ 32,759,756	\$ 27,627,708

VILLAGE OF ALGONQUIN, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2010	2011	2012	2013
REVENUES				
Taxes	\$ 18,408,483	\$ 19,016,084	\$ 19,922,146	\$ 20,385,852
Licenses and permits	339,520	358,788	397,652	705,734
Intergovernmental, grants, and contributions	1,696,032	1,277,185	1,553,508	2,378,726
Charges for services	463,882	301,319	338,722	340,063
Fines and forfeits	1,132,348	907,896	864,061	798,921
Investment income (loss)	215,055	192,446	177,277	74,537
Miscellaneous	55,366	58,564	135,304	128,322
Total revenues	22,310,686	22,112,282	23,388,670	24,812,155
EXPENDITURES				
General government	4,030,535	4,109,045	4,138,167	4,343,983
Public safety	7,730,736	7,980,376	8,328,490	8,570,284
Public works	6,098,858	6,064,344	5,685,056	7,485,932
Capital outlay	2,874,139	1,512,055	1,217,825	1,754,682
Debt service				
Principal	465,000	500,000	3,420,695	590,000
Interest	262,865	187,454	176,146	165,134
Total expenditures	21,462,133	20,353,274	22,966,379	22,910,015
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	848,553	1,759,008	422,291	1,902,140
OTHER FINANCING SOURCES (USES)				
Transfers in	678,098	852,355	852,355	852,355
Transfers (out)	(678,098)	(852,355)	(852,355)	(852,355)
Proceeds from capital lease	-	-	-	-
Proceeds from bonds/issuance of refunding bonds	-	-	-	-
Premium on general obligation bonds	-	-	-	-
Transfer to refunded bond escrow	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	\$ 848,553	\$ 1,759,008	\$ 422,291	\$ 1,902,140
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	3.92%	3.65%	16.54%	3.57%

*Beginning in fiscal year 2016, state sales tax, use tax, and income tax are reported as intergovernmental revenue.

Data Source

Audited Financial Statements

	2014	2015	2016*	2017	2018	2019
\$	21,452,273	\$ 23,141,444	\$ 11,770,767	\$ 12,287,609	\$ 12,275,407	\$ 12,364,092
	407,800	589,957	823,414	612,193	774,553	651,171
	1,438,538	2,436,940	12,809,274	12,876,044	12,767,070	13,307,351
	333,652	343,116	778,570	368,237	351,454	347,722
	749,287	687,897	551,438	459,464	414,078	322,254
	(219,130)	69,180	119,847	206,719	301,119	626,353
	263,402	218,533	885,770	685,788	689,944	630,920
	24,425,822	27,487,067	27,739,080	27,496,054	27,573,625	28,249,863
	4,279,256	4,531,249	4,740,911	5,263,774	4,992,141	4,969,495
	8,787,750	9,114,836	8,864,640	9,285,421	9,391,707	9,809,188
	7,066,611	8,060,229	6,207,114	10,521,050	7,067,477	8,071,952
	2,054,583	2,957,881	2,084,527	3,858,214	3,442,779	9,729,848
	634,615	689,757	565,825	571,951	588,138	605,979
	153,287	89,505	68,040	56,316	43,857	31,280
	22,976,102	25,443,457	22,531,057	29,556,726	25,526,099	33,217,742
	1,449,720	2,043,610	5,208,023	(2,060,672)	2,047,526	(4,967,879)
	850,000	596,147	599,829	1,909,801	625,000	1,860,230
	(850,000)	(596,147)	(599,829)	(1,909,801)	(625,000)	(1,860,230)
	106,265	-	-	-	-	-
	2,885,000	-	-	-	-	-
	119,392	-	-	-	-	-
	(2,992,328)	-	-	-	-	-
	118,329	-	-	-	-	-
\$	1,568,049	\$ 2,043,610	\$ 5,208,023	\$ (2,060,672)	\$ 2,047,526	\$ (4,967,879)
	3.77%	3.47%	3.04%	2.70%	3.05%	2.84%

VILLAGE OF ALGONQUIN, ILLINOIS

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Residential Property	Commercial Property	Industrial Property	Other Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value	Commercial or Industrial		Residential	
									Number of Permits	Value (1)	Number of Permits	Value (1)
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	0	-
2012	701,596,262	170,572,789	12,346,224	2,685,421	887,200,696	0.6208	2,661,602,088	33.333%	0	-	11	21,107,592
2013	638,297,331	153,327,229	10,791,813	2,595,085	805,011,458	0.6775	2,415,034,374	33.333%	5	1,582,118	4	1,355,749
2014	614,951,665	150,078,586	10,302,225	2,478,946	777,811,422	0.7047	2,333,434,266	33.333%	2	6,917,760	18	6,917,018
2015	632,117,357	155,044,307	10,869,811	2,539,920	800,571,395	0.7159	2,401,714,185	33.333%	5	23,264,060	24	8,535,989
2016	677,131,371	161,982,750	10,764,196	2,487,423	852,365,740	0.6570	2,557,097,220	33.333%	2	842,887	34	12,381,885
2017	721,868,930	165,068,135	11,045,596	2,652,140	900,634,801	0.6218	2,701,904,403	33.333%	3	8,823,020	33	10,895,670
2018	770,387,014	167,531,028	11,371,762	2,297,789	951,587,593	0.5885	2,854,762,779	33.333%	4	6,152,537	86	12,359,718

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

Data Sources

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

VILLAGE OF ALGONQUIN, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

Levy Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
DIRECT TAX RATES										
General Corporate	0.4839	0.5233	0.5642	0.6208	0.6775	0.7047	0.7159	0.6570	0.6218	0.5885
Total direct rates	0.4839	0.5233	0.5642	0.6208	0.6775	0.7047	0.7159	0.6570	0.6218	0.5885
OVERLAPPING TAX RATES										
Fire District(s)	2.1466	2.3469	2.4758	3.5099	3.8524	4.0108	3.9311	3.8735	3.7550	3.6610
Kane County	0.3398	0.3730	0.3990	0.4336	0.4623	0.4684	0.4479	0.4201	0.4025	0.3877
Kane County Forest Preserve	0.1997	0.2201	0.2609	0.2710	0.3039	0.3126	0.2944	0.2253	0.1658	0.1607
McHenry County	0.7157	0.7927	0.8879	0.9958	1.0960	1.1412	1.0781	1.0539	0.9019	0.8317
McHenry County Conservation	0.1775	0.1956	0.2191	0.2481	0.2748	0.2840	0.2766	0.2588	0.2449	0.2380
Park districts (3)	0.6959	0.8241	0.8665	0.7645	1.0765	1.1276	1.0618	0.8914	0.8136	0.7956
Public libraries (4)	0.8693	0.9916	1.0266	1.1517	1.2313	1.3632	1.3227	1.2601	1.2351	1.1307
Road and bridge (4)	0.2283	0.2552	0.2794	0.3942	0.4387	0.4548	0.4374	0.3999	0.3689	0.3473
Schools (4)	8.7353	9.9611	10.4509	12.0424	13.1491	14.0008	13.4877	12.5931	12.3311	12.1154
Townships (4)	0.2620	0.2984	0.3230	0.4165	0.4316	0.4468	0.4283	0.3792	0.2406	0.2248
Algonquin SSA #1	-	-	-	-	-	-	5.6066	23.0860	3.6278	-
Total overlapping rates	14.3701	16.2587	17.1891	20.2277	22.3166	23.6102	28.3726	44.4413	24.0872	19.8929
TOTAL TAX RATES	14.8540	16.7820	17.7533	20.8485	22.9941	24.3149	29.0885	45.0983	24.7090	20.4814

Property tax rates are per \$100 of assessed valuation

Data Source

Office of the County Clerk

VILLAGE OF ALGONQUIN, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Taxpayer	2019			2010		
	2018 Taxable Equalized Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	2009 Taxable Equalized Assessed Value	Rank	Percentage of Total Village Equalized Assessed Valuation
In Retail Fund Algonquin Commons LLC	\$ 18,248,175	1	1.92%	\$ 31,487,283	1	2.72%
Marquette EJP Algonquin LLC	7,824,650	2	0.82%			
US Bank NA TRS	6,733,499	3	0.71%			
HSRE Algonquin LLC	5,500,000	4	0.58%			
Oakridge Court LLC	5,354,846	5	0.56%			
Algonquin Galleria of Illinois LLC	4,147,207	6	0.44%			
Wal-Mart Stores Inc.	3,989,130	7	0.42%	5,354,964	5	0.46%
LTF USA Real Estate Co Inc.	3,957,497	8	0.42%	4,086,415	6	0.35%
Meijer Stores LTD Partnership	3,799,069	9	0.40%	3,976,726	7	0.34%
Target Corporation	3,428,645	10	0.36%	4,835,791	4	0.42%
Rubloff Oakridge Algonquin LLC				9,412,240	2	0.81%
Algonquin Randall, LLC				6,354,612	3	0.55%
HD Development of MD Inc.				3,651,457	8	0.32%
Jewel Food Stores, Inc.				3,602,690	9	0.31%
RPA Shopping Center Ph. 1 LLC				3,246,540	10	0.28%
TOTAL	<u>\$ 62,982,718</u>		<u>6.63%</u>	<u>\$ 76,008,718</u>		<u>6.56%</u>

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.

Data Source

Office of the County Clerk

VILLAGE OF ALGONQUIN, ILLINOIS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Levy Year	Tax Levy	Total Collections within the Levy Year		Collections in Subsequent Years	Total Collections To Date	Total Collections To Date*
		Amount	Percentage of Levy*			
2009	\$ 5,601,000	\$ 5,596,725	99.92%	\$ 1,294	\$ 5,598,019	99.95%
2010	5,601,000	5,622,139	100.38%	1,254	5,623,393	100.40%
2011	5,575,000	5,522,438	99.06%	162	5,522,600	99.06%
2012	5,481,000	5,490,574	100.17%	-	5,490,574	100.17%
2013	5,481,000	5,451,343	99.46%	103	5,451,446	99.46%
2014	5,481,000	5,468,573	99.77%	817	5,469,390	99.79%
2015	5,893,475	5,870,423	99.61%	767	5,871,190	99.62%
2016	5,991,476	5,981,894	99.84%	5,706	5,981,894	99.94%
2017	6,102,372	6,102,657	100%	-	6,102,657	100.00%
2018	6,181,877	N/A	N/A	N/A	N/A	N/A

N/A - Information not available

*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.

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)

Data Source

Office of the County Treasurer

VILLAGE OF ALGONQUIN, ILLINOIS

SALES TAX BY CATEGORY

Last Ten Calendar Years

Calendar Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General merchandise	\$ 1,196,336	\$ 1,328,129	\$ 1,253,051	\$ 1,366,558	\$ 1,365,588	\$ 2,094,389	\$ 2,120,466	\$ 2,063,688	\$ 1,998,831	\$ 2,031,205
Food	987,441	957,066	989,997	975,961	989,451	1,072,713	1,069,547	946,826	903,442	931,727
Drinking and eating places	634,989	592,419	667,728	717,117	732,747	754,333	776,846	832,807	857,156	875,504
Apparel	455,968	519,440	685,012	588,495	593,205	607,179	586,989	644,790	671,557	662,548
Furniture and H.H. and radio	528,320	510,346	491,866	523,162	549,625	590,672	628,199	760,486	627,696	607,712
Lumber, building hardware	312,403	303,779	304,682	301,486	346,042	356,151	368,429	330,374	346,174	352,379
Automobile and filling stations	1,051,475	1,070,284	1,223,019	1,254,027	1,258,100	557,652	511,290	605,334	671,991	695,963
Drugs and miscellaneous retail	1,047,092	1,038,679	1,065,226	1,036,697	1,081,094	1,150,529	998,903	1,152,036	1,152,124	1,036,151
Agriculture and all others	125,987	110,353	103,667	94,845	106,527	129,176	333,903	156,600	280,459	338,873
Manufacturers	103,914	83,071	117,709	75,772	81,124	103,111	157,401	151,712	186,256	178,181
TOTAL	\$ 6,455,352	\$ 6,525,655	\$ 6,948,585	\$ 6,991,371	\$ 7,144,335	\$ 7,453,273	\$ 7,580,028	\$ 7,667,131	\$ 7,695,686	\$ 7,710,243
Total number of payers	801	766	1,128	807	794	810	815	848	822	822
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	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%

Data Source

Illinois Department of Revenue

VILLAGE OF ALGONQUIN, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES

Last Ten Fiscal Years

Fiscal Year	Village Direct Rate	Village State Rate
2010	1.75%	6.00%
2011	1.75%	6.00%
2012	1.75%	6.00%
2013	1.75%	6.00%
2014	1.75%	6.00%
2015	1.75%	6.00%
2016	1.75%	6.00%
2017	1.75%	6.00%
2018	1.75%	6.00%
2019	1.75%	6.00%

Data Sources

Village and County Records

VILLAGE OF ALGONQUIN, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities		Business-Type Activities		Total Primary Government	Ratio of Total Outstanding Debt to Equalized Assessed Valuation	Total Outstanding Debt Per Capita
	General Obligation Bonds	Capital Leases	General Obligation Bonds	Revenue Bonds			
2010	\$ 8,365,044	\$ -	\$ 9,685,000	\$ -	\$ 18,050,044	1.62%	\$ 592
2011	8,081,752	-	9,220,000	-	17,301,752	1.50%	576
2012	4,791,375	-	8,751,165	-	13,542,540	1.17%	451
2013	4,199,853	-	8,233,893	-	12,433,746	1.15%	414
2014	3,665,621	91,650	7,943,788	-	11,701,059	1.19%	389
2015	2,970,191	71,893	7,348,715	-	10,390,799	1.17%	346
2016	2,405,830	51,068	6,733,642	-	9,190,540	1.14%	306
2017	1,836,469	29,117	6,098,569	-	7,964,155	1.02%	265
2018	1,252,108	5,979	5,443,496	-	6,701,583	0.84%	223
2019	632,747	-	4,753,423	-	5,386,170	0.63%	179

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

VILLAGE OF ALGONQUIN, ILLINOIS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less Amounts Available for Repayment	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita
2010	\$ 18,050,044	\$ 3,473,130	\$ 14,576,914	1.26%	\$ 478.21
2011	17,301,752	3,550,824	13,750,928	1.28%	457.66
2012	13,542,540	885,085	12,657,455	1.29%	421.27
2013	12,433,746	675,164	11,758,582	1.33%	391.35
2014	11,609,409	767,180	10,842,229	1.35%	360.85
2015	10,318,906	-	10,318,906	1.33%	323.07
2016	9,139,472	-	9,139,472	1.14%	304.18
2017	7,935,038	-	7,935,038	0.93%	264.10
2018	6,695,604	-	6,695,604	0.74%	222.85
2019	5,386,170	-	5,386,170	0.57%	179.26

*See schedule of Assessed Value and Actual Value of Taxable Property for property value data.

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

VILLAGE OF ALGONQUIN, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

April 30, 2019

Governmental Unit	Gross Debt	Percentage Debt Applicable to the Village*	Village's Share of Debt
Kane County	\$ 28,235,000	1.80%	\$ 508,230
McHenry County Conservation District	83,785,000	8.26%	6,920,641
Kane County Forest Preserve	144,415,000	1.80%	2,599,470
Dundee Township Park District	16,035,000	14.44%	2,315,454
Huntley Park District	3,704,000	9.37%	347,065
Schools			
District No. 300	247,257,030	23.25%	57,487,259
District No. 158	86,089,128	9.84%	8,471,170
District No. 509	<u>168,661,226</u>	6.66%	<u>11,232,838</u>
Subtotal overlapping debt	778,181,384		89,882,127
Village of Algonquin direct debt	<u>632,747</u>	100.00%	<u>632,747</u>
	<u><u>\$ 778,814,131</u></u>		<u><u>\$ 90,514,874</u></u>

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

LEGAL DEBT MARGIN

April 30, 2019

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 per cent:....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

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year	Population		Equalized Assessed Value (EAV)	Per Capita EAV	Unemployment Rate
2010	30,046	*	\$ 1,155,073,386	\$ 38,443	8.60%
2011	30,046	**	1,157,591,396	38,527	8.00%
2012	30,046	**	1,077,620,673	35,866	8.60%
2013	30,046	**	981,280,749	32,659	8.10%
2014	30,046	**	887,200,696	29,528	5.20%
2015	30,046	**	805,011,458	26,793	4.90%
2016	30,046	**	777,811,422	25,887	5.47%
2017	30,046	**	800,571,395	26,645	4.70%
2018	30,046	**	852,365,740	28,369	4.28%
2019	30,046	**	900,634,801	29,975	N/A

*Actual

**Estimate

N/A - information not available

Note: Personal income data not available

Data Source

Illinois Department of Employment Security

VILLAGE OF ALGONQUIN, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2019			2010		
	Rank	No. of Employees	Percent of Total Village Population	Rank	No. of Employees	Percent of Total Village Population
School District Number 300*	1	427	1.42%	1	374	2.45%
Jewel Osco	2	262	0.87%	-	-	0.00%
Walmart	3	223	0.74%	-	-	0.00%
Meijer	4	184	0.61%	-	-	0.00%
LifeTime Fitness	5	177	0.59%	-	-	0.00%
Kenmode Tool and Engineering, Inc.	6	150	0.50%	3	135	0.88%
Home Depot	6	150	0.50%	-	-	0.00%
Village of Algonquin	7	140	0.47%	2	160	1.05%
Super Target	8	137	0.46%	-	-	0.00%
Claredale of Algonquin	8	102	0.34%	-	-	0.00%
Young Innovations, Inc.	10	100	0.33%	-	-	0.00%
PEP Wauconda LLC (formerly Wauconda Tool and Engineering)	-	-	0.00%	4	120	0.78%
Butera Fruit Market	-	-	0.00%	-	-	0.00%
Kohls	-	-	0.00%	-	-	0.00%
Meyer Material Co.	-	-	0.00%	5	100	0.65%
Duro-Life Corp.	-	-	0.00%	6	62	0.41%
Target Manufacturing Inc.	-	-	0.00%	7	50	0.33%
Coldwell Banker Primus	-	-	0.00%	7	50	0.33%
Algonquin State Bank	-	-	0.00%	8	40	0.26%
Schiffmayer Plastics Corp.	-	-	0.00%	9	35	0.23%
Burnex Corp.	-	-	0.00%	10	30	0.20%
Hanson Material Service Corp.	-	-	0.00%	10	30	0.20%
SubCon Mfg. Corp.	-	-	0.00%	10	30	0.20%

*Only schools located in the Village

Data Sources

2017 Illinois Manufacturers Directory, 2017 Illinois Services Directory, Speer Financial, the Village, and a selective telephone survey

VILLAGE OF ALGONQUIN, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
GENERAL GOVERNMENT										
Administration	20	19	19	20	19	19	18	19	17	19
Community development	12	12	12	12	12	12	12	11	8	8
PUBLIC SAFETY										
Police										
Officers	49	49	49	48	46	46	44	46	44	46
Civilians	11	11	11	11	11	10	8	9	8	8
PUBLIC WORKS										
Public works administration	7	6	6	6	6	4	4	4	4	4
Public works general services	33	30	29	30	29	25	26	25	23	23
Internal services	9	9	9	9	8	9	8	9	9	9
WATER										
Water and sewer	22	19	20	20	21	23	21	20	20	20
POOL										
	5	5	4	3	4	4	4	4	4	3
TOTAL	168	160	159	159	156	152	145	147	137	140

Prior to FYE 2009 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 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 statement. Employees in the public works streets and park departments were combined and reported in public works general services with the April 30, 2016 financial statement.

Data Source

Village Finance Department

VILLAGE OF ALGONQUIN, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
GENERAL GOVERNMENT										
Community Development										
Building permits issued	2,092	1,854	2,170	2,354	2,467	4,107	3,122	3,050	2,864	3,123
Building inspections conducted	4,036	2,756	4,096	4,023	4,562	8,589	6,229	6,239	5,611	6,721
Property maintenance inspections conducted	3,483	3,552	4,330	4,605	3,982	4,292	4,737	4,105	3,169	2,668
PUBLIC SAFETY										
Police										
Physical arrests	777	660	724	555	511	488	520	640	460	435
Parking violations	711	1,375	1,271	1,302	1,287	1,040	839	879	932	447
Traffic violations	4,524	4,311	4,818	3,708	3,305	2,233	4,937	6,359	2,326	4,582
PUBLIC WORKS										
Streets										
Street resurfacing (miles)	2.50	2.77	1.76	2.00	4.90	5.10	-	4.80	4.80	1.20
Parks and Recreation										
Park sites	22	22	22	22	22	22	22	22	22	22
Developed park acreage	155	155	155	155	155	155	155	155	155	155
Open space	512	512	512	512	512	512	512	512	512	512
Water										
New connections (tap-ons)	5	5	-	13	7	22	2	38	28	78
Average daily consumption*	2,760	2,590	2,679	2,864	2,682	2,725	2,478	2,401	2,535	2,078
Peak daily consumption*	4,671	3,924	3,382	5,151	4,253	3,231	4,097	3,200	2,893	2,641
Wastewater										
Average daily sewage treatment**	3.1	3.0	2.9	2.8	3.0	2.9	3.1	3.3	3.5	3.8

*Thousands of gallons

**Millions of gallons

Data Source

Various village departments

VILLAGE OF ALGONQUIN, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
PUBLIC SAFETY										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Geographic patrol areas	6	6	6	6	6	6	6	6	6	6
PUBLIC WORKS										
Street										
Streets (miles)	249	286	286	267	256	256	256	130	130	130
Streetlights	228	228	228	189	189	211	211	319	319	319
Parks and Recreation										
Acreage	667	667	667	667	667	667	667	667	667	667
Playgrounds	18	18	18	18	18	18	18	18	18	18
Sites with baseball diamonds	9	9	9	9	9	9	9	9	9	9
Sites with soccer fields	11	11	11	11	11	11	11	11	11	11
Sites with basketball courts	14	14	14	14	14	14	14	14	14	14
Sites with tennis courts	5	5	5	5	5	5	5	5	5	5
Water										
Water mains (miles)	159	170	165	165	165	168	168	168	168	168
Fire hydrants	2,153	2,176	2,208	2,213	2,213	2,214	2,224	2,276	2,264	2,260
Storage capacity*	3.390	3.390	3.390	3.390	3.390	3.390	3.390	3.390	3.390	3.390
Wastewater										
Sanitary sewers (miles)	136	140	138	135	137	144	145	144	139	139
Treatment capacity*	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000

*Thousands of gallons

Data Source

Various village departments