



Village of Algonquin, Illinois

Comprehensive Annual Financial Report
For the Fiscal Year Ended
April 30, 2016



VILLAGE OF ALGONQUIN, ILLINOIS

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Year Ended
April 30, 2016

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, 2016

Legislative

Village Board of Trustees

John Schmitt, Village President

Brian Dianis

Robert Smith

Jerry Glogowski

John Spella

Debby Sosine

Jim Steigert

Gerald S. Kautz, Clerk

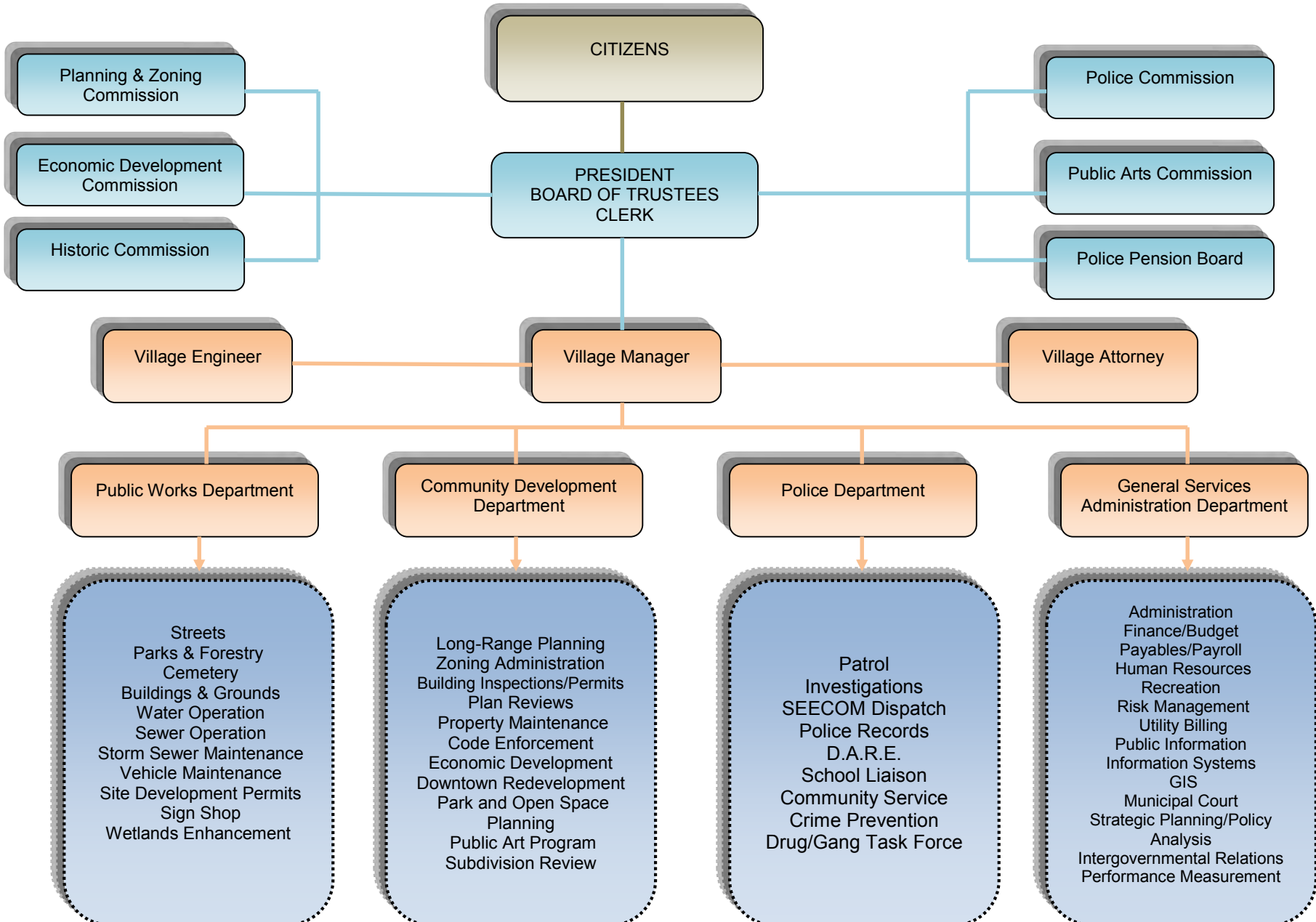
Appointed Officials

Tim Schloneger, Village Manager

Michael Kumbera, Treasurer



VILLAGE OF ALGONQUIN 2015-2016 ORGANIZATION CHART





Government Finance Officers Association

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

Presented to

**Village of Algonquin
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2015

Executive Director/CEO



Village of Algonquin

The Crown of the Fox River Valley

October 5, 2016

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, 2016, 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, 2016, 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, 2016, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Village of Algonquin

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

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

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

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

Major Initiatives

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

Examples of some of these projects are as follows:

Accomplishments

This past year, the Village was presented the Tree City USA award for the twentieth consecutive year. This milestone recognizes Algonquin as a leader in urban forestry in the region. The recognition also comes at a time in which devastation from the emerald ash borer is at its peak. The Village managed its response by removing infected trees immediately and beginning the tree replacement process shortly thereafter to minimize any visual impacts to the community.

Village staff launched Kronos, an enterprise timekeeping solution, in October 2015. This software solution consolidates timekeeping and payroll functions into a single enterprise software and has addressed many operational issues while creating an integration link to MUNIS, the Village's enterprise resource planning system.

Shifting underground to water and sewer utilities, the Village Board approved a multi-year rate and fee increase in January 2016 which will go into effect in November 2016. The rate and fee study evaluated capital infrastructure needs as identified in the Comprehensive Water Master Plan (2012) and the Wastewater Facility Plan Update (2014). The necessary expenses for repairs, rehabilitation, and expansion of existing water supply, treatment, and storage facilities and wastewater treatment facilities, totaling approximately \$22,800,000, are proposed for FY 16/17 through FY 21/22 with the new rate structure as the implementing mechanism.

In March 2016, the Village Board approved a Downtown Streetscape Master Plan which defines the vision for the physical built environment for the downtown business district in Algonquin. This plan builds

on the concepts outlined in the Downtown Planning Study, which was approved in March 2013, to provide a conceptual plan for the redevelopment of Downtown Algonquin. Engineering design work will begin in FY17 with construction expected to begin in summer of 2017.

The Village's communication and community engagement efforts were expanded in FY16 with the addition of two new social media platforms: Instagram and Nextdoor. Recognizing the need and desire for Village constituents to receive information in a quicker and more convenient manner, the Village expanded from their existing Facebook, Twitter, and YouTube platforms. Instagram is an online mobile photo-sharing, video-sharing, and social networking service that enables its users to take pictures and videos, and share them either publicly or privately on the app, as well as through a variety of other social networking platforms. Nextdoor is a private social network designed for neighbors to interact within their neighborhoods. Staff receives analytics from both sites and evaluates how to leverage these platforms to enhance communications and outreach to the community.

Outlook for 2016-2017

The Village will continue its investment in infrastructure as a strategy for economic development and quality of life during FY17. At a regional level, stage one construction will conclude on the Longmeadow Parkway Bridge Corridor, constructing a new roadway between Randall Road and Boyer/Huntley Road in Algonquin. This new road segment creates an arterial transportation connection that bisects the Algonquin Corporate Campus, a 1,000-acre future business park development. In its entirety, the Longmeadow Parkway Bridge Corridor project is a four-lane Fox River Bridge crossing and four-lane arterial roadway corridor with a median, approximately 5.6 miles in length, which is designed to alleviate traffic congestion in northern Kane County.

Another shot in the arm for the Algonquin Corporate Campus will be the construction and installation of a fiber optic network occurring in FY17 to be available for future tenants in the business park. The network will provide a scalable and redundant option to augment existing service providers in the area, specifically targeting high bandwidth users.

The McHenry County Board approved additional funding for land acquisition and engineering for the Randall Road Corridor Improvement project, which will enhance safety, capacity, access and level of service through Algonquin, Lake in the Hills, and Crystal Lake. Commerce on Randall Road in Algonquin contributes to the majority of the sales tax receipts for the Village and also serves as a primary regional transportation corridor in southeastern McHenry County. Construction is tentatively scheduled to begin in late 2017.

Locally, several collector and residential roadways are planned for resurfacing and reconstruction in FY17. In total, approximately \$9.0 million is budgeted in the Motor Fuel Tax and Street Improvement Funds for capital improvements and infrastructure maintenance in FY17. Roadways schedule for improvement in FY17 include: Boyer Road, Countryside Drive, County Line Road, Harper Drive, Highland Avenue, Huntington Drive, Par Drive, Stonegate Road and various segments in the Copper Oaks Subdivision.

As a positive sign of continued economic recovery, residential and commercial development continues to improve in Algonquin. New housing starts in The Cove, Fairway View Estates, and Creeks Crossing are expected in FY17. Additionally, new businesses expected to open this year include Nordstrom Rack, Buona Restaurant, and two Dunkin Donuts locations.

Innovation and Technology staff is upgrading and integrating Telestaff, a timekeeping/scheduler used by the Police Department during FY17. Building upon last year's implementation of Kronos, Telestaff will integrate directly with Kronos, and ultimately MUNIS, delivering a fully integrated solution allowing improved time management benefits to assist payroll, management, and employees through greater tracking, reporting, and accountability.

Finally, in late 2016, the Village will revamp its current website with a new and modern template, conducive to mobile e-commerce. Mobile and tablet traffic to www.algonquin.org has increased significantly in recent years as well as user expectations to quickly obtain information and request

services. The new website will feature a more service-oriented layout rather than an organizational layout to better serve our customers.

Factors Affecting Financial Condition

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

Local Economy

The Village's experience in the local economy indicates that unemployment in Algonquin remains steady with a July 2016 report of 5.1 percent which is equal to the same period last year. By comparison, the State of Illinois and McHenry County July 2016 rates were 5.6 percent and 4.8 percent respectively.

State shared income/use tax, continues to show steady receipts. The state's per capita distribution rate for FY16 decreased 2.9 percent for the year following increases of 11.5 percent and 2.3 percent for FY15 and FY14 respectively. The statewide economy continues to impact Village finances as evidenced by the state's continued slow distribution of income tax allocations (two months in arrears as of April 2016) which unfavorably impacts our cash position and investment income.

The major industry in the Village is retail sales and the state shared sales tax revenue which is the Village's primary revenue source. The shared sales tax collections for FY16 were up 2.6 percent from FY15.

The 2015 assessed property values in the Village increased 2.9 percent which follows reductions of 3.4 percent and 9.3 percent for 2014 and 2013 respectively. New growth in the residential and commercial sectors helped contribute to an overall increase in property values. As a home rule community, however, the Village's Tax Levy is not subject to the PTELL reduction of taxes and collection is reasonably assured since the County Treasurers have tax sales for unpaid tax bills.

Building permit revenues exceeded budget by approximately \$256,000 due to increased permit activity in the village. Overall, operating results in the General Fund were positive as revenues exceeded budget by 4.7 percent and expenditures were 7.0 percent less than budget.

Debt Administration

As of April 30, 2016, the Village had two outstanding debt issues, both of which were general obligation bonds. Outstanding at year end were \$8.82 million for general obligation bonds. Continuing its practice, the Village abated \$1.41 million of the 2016 Tax Levy for debt service. Under current state statutes, the Village has no legal debt limit on general obligation debt.

Long-Term Financial Planning

The Village continues to use the Home Rule Sales Tax of 0.75 percent for infrastructure and capital purposes. Those funds, together with existing dedicated revenues, strengthen the Village preference of a "pay as you go" philosophy in financing capital projects. The capital improvement program for street and infrastructure improvements is managed from five funds (Motor Fuel Tax, Street Improvement, Parks Fund, 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 and home rule sales tax revenues.

Cash Management

Continued Federal Reserve interest rate policy of near-zero short-term federal funds rate has impacted Village investment returns on State Investment Pools. The Village continues to invest a portion of the surplus cash in fixed income securities as an alternative investment. Investment grade fixed income securities with an average life of less than three years are approved for investment. This includes corporate bonds since the Village has Home Rule status. The maturities of investments now range from

being immediately accessible (Illinois Funds and IMET Convenience Fund) and up to 3 years (Fixed Income Investments). Investment income includes market appreciation in the fair value of investments.

The Police Pension Fund is permitted to invest in equities as well as fixed income bonds with longer maturities. Market value yields from these assets for the year ended April 30, 2016, were -0.4 percent.

Pension Benefits

The Village sponsors a single-employer defined benefit pension plan for its police officers. Each year, an independent actuary engaged by the Village and the pension plan calculates the amount of the annual contribution that the Village must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. As a matter of policy, the Village fully funds each year's annual required contribution to the pension plan as determined by the actuary. As a result of the Village's conservative funding policy, the Village has succeeded as of April 30, 2016, in funding 58.4 percent of the actuarial accrued liabilities. The actuarial valuation as stated in this report for FY 2016, determined that the net contribution due from the Village is \$1,899,008. The remaining unfunded amount is being systematically funded over 17 years as part of the annual required contribution calculated by the actuary. It is important to note that in FY 2016 the mortality and investment rate of return assumptions used by the actuary were adjusted from prior year.

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.

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, 2015. This was the twelfth 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 accounting principles and applicable legal requirements.

The Village also received the GFOA's Award for Distinguished Budget Presentation for its 2016 budget document. This was the twelfth 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 2016 CAFR continues to meet the Certificate of Achievement Program requirements and we are submitting the report to the GFOA to determine its eligibility for another award.

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

Respectfully submitted,



Michael J. Kumbera
Assistant Village Manager/Treasurer

FINANCIAL STATEMENTS



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Naperville, Illinois 60563

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

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, 2016, and the related notes to financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 0.16%, 0.18%, and 0.08% of the assets, net position and expenses 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village's preparation and fair presentation of the financial

statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, 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, 2016, 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

As described in Note 12, the Village adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68*, which established standards for measuring and recognizing liabilities, deferred inflows and outflows of resources, and expenses; modified certain disclosures in the notes to financial statements; and the required supplementary information. Our opinion is not modified with respect to these matters.

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.

Sikich LLP

Naperville, Illinois
September 26, 2016

**GENERAL PURPOSE
EXTERNAL FINANCIAL STATEMENTS**

**Village of Algonquin, Illinois
Management's Discussion and Analysis
April 30, 2016**

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 iv) and the Village's financial statements (beginning on page 4).

Financial Highlights

- The Village's net position decreased by \$21.5 million (or 7.9%) from FY15 to \$252.1 million.
- The governmental activities net position decreased by \$18.2 million (or 8.7%) from FY15 to \$190.4 million.
- The business type activities net position decreased by \$3.3 million (or 5.1%) from FY15 to \$61.7 million.
- The total revenues of all governmental activity programs decreased by \$3.0 million and expenses decreased \$0.3 million from FY15.
- The total revenues of business-type activity programs increased by \$0.4 million and expenses decreased \$0.1 million from FY15.
- The total cost of all Village expenses decreased by \$0.4 million (or 1.1%).
- The Village's combined general fund balance increased by \$1.7 million from FY15.
- 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 \$1.2 million.
- The Village's capital assets decreased by \$5.9 million to \$238.31 million from FY15.

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 4-7) 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 6-7) is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

**Village of Algonquin, Illinois
Management's Discussion and Analysis
April 30, 2016**

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 8-12) presentation is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the Fund Financial Statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith.

The Fund Financial Statements also allow the government to address its Fiduciary Funds (Police Pension and Developer Deposits, see pages 18 and 19). The Police Pension Fund (a pension trust fund) represents trust responsibilities of the Village. These assets are restricted in purpose and do not represent discretionary assets of the government. The Developer Deposit Fund (an agency fund), reports refundable deposits received from developers. Therefore, the assets in these two funds are not presented as part of the Government-Wide Financial Statements.

While the Business-type Activities column on the Business-type Fund Financial Statements (see pages 13-17) is the same as the Business-type column on the Government-Wide Financial Statement, the Governmental Major Funds total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 10 and 12). 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 decreased by \$21.5 million from FY15 – decreasing from \$273.6 million to \$252.1 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 decreased \$18.2 million from \$208.6 million to \$190.4 million. The business-type activities net position decreased by \$3.3 million from \$65.0 million to \$61.7 million. Table 1 reflects the condensed Statement of Net Position compared to FY15. 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 4.

Table 1						
Statement of Net Position						
As of April 30, 2016 and 2015						
(in millions)						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 41.0	\$ 36.6	\$ 13.4	\$ 13.0	\$ 54.4	\$ 49.6
Capital assets	181.7	184.3	56.7	60.0	238.4	244.3
Total assets	222.7	220.9	70.1	73.0	292.8	293.9
Deferred Outflows of Resources	2.3	0.1	0.5	0.1	2.8	0.2
Long-term liabilities	24.5	3.1	7.6	6.9	32.1	10.0
Other liabilities	3.2	3.8	1.3	1.2	4.5	5.0
Total liabilities	27.7	6.9	8.9	8.1	36.6	15.0
Deferred Inflows of Resources	6.9	5.5	-	-	6.9	5.5
Net Position:						
Net investment in capital assets	179.2	181.3	49.9	52.8	229.1	234.1
Restricted	3.1	3.1	0.8	0.8	3.9	3.9
Unrestricted	8.1	24.2	11.0	11.4	19.1	35.6
Total net position	\$ 190.4	\$ 208.6	\$ 61.7	\$ 65.0	\$ 252.1	\$ 273.6

For more detailed information see the Statement of Net Position (pages 4-5).

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 \$21.5 million decrease of combined net position (which is the Village's bottom line) was the result of the governmental activities net position decreasing by \$18.2 million and the business-type activities decreasing by \$3.3 million.

The governmental activities total assets increased by \$1.8 million and the governmental activities total liabilities increased by \$20.8 million. The total assets increase of \$1.8 million was a result of an increase of \$4.4 million in current and other assets and a decrease of \$2.6 million in capital assets. The increase in current and other assets was due mainly to an increase of \$4.9 million in cash and investment and an increase of \$0.4 million in property taxes. This was offset by decreases of \$0.6 million in other taxes and \$0.3 million in other receivables. The decrease in capital assets was due to decreases \$1.1 million in construction in progress, \$0.8 million in other improvements, \$0.3 million in buildings, and \$0.3 million in streets/storm sewers/bridges, and \$0.1 million prior period adjustment of land.

Deferred outflows of resources increased by \$2.2 million due to the addition of pension items relating to the Police Pension Fund of \$1.2 million and IMRF of \$1.0 million (See Note 10 and 12 in the Notes to Financial Statements for additional information).

The governmental activities total liabilities increased by \$20.8 million due to an increase in long-term liabilities. The long-term liabilities increased by \$21.4 million due to the addition of pension liabilities for the Police Pension Fund and IMRF (See Note 10 and 12). Other liabilities decreased \$0.6 million due to a decrease in accounts payable.

Deferred inflows of resources increased \$1.4 million due to the addition of pension items for the Police Pension Fund of \$0.9 million and IMRF of \$0.1 million (See Note 10 and 12). Deferred property tax revenue also increased by \$0.4 million.

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The net position of the business-type activities decreased by \$3.3 million from \$65.0 million to \$61.7 million. Total assets of the business-type activities decreased by \$2.9 million from \$73.0 to \$70.1 million. The total assets decrease of \$2.9 million was a result of a decrease in capital assets of \$3.3 million and an increase in current and other assets of \$0.4 million. The capital asset decrease of \$3.3 million in the business-type activities occurred mainly as a result of decreases in construction in progress of \$1.2 million, \$1.7 million in water and sewer improvements, and \$0.4 million in buildings. The overall decrease was due mainly to capital assets depreciation. The increase in current assets of \$0.4 million was mainly due to an increase of \$0.7 million in other receivables which was offset by a decrease of \$0.3 million in cash and investments. Expenses exceeded revenues during FY16 which resulted in a net deficit of \$2.5 million.

Total liabilities of the business-type activities increased by \$0.8 million from \$8.1 million to \$8.9 million. The long term liabilities decreased by \$0.7 million due to the decrease of G.O. Bonds Payable for the wastewater treatment plant expansion. Other liabilities increased \$0.1 million from the previous 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, 2016 and 2015						
(in millions)						
	Governmental Activities		Business-Type Activities		Total Primary Government	
Revenue	2016	2015	2016	2015	2016	2015
Program Revenues						
Charges for Service	\$ 1.8	\$ 1.8	\$ 6.9	\$ 6.1	\$ 8.7	\$ 7.9
Operating Grants/Contributions	1.2	1.9	-	-	1.2	2.3
Capital Grants/Contributions	0.4	3.8	-	0.4	0.4	3.8
General Revenue						
Property	5.9	5.8	-	-	5.9	5.8
Other taxes	17.5	16.8	-	-	17.5	16.8
Other	0.9	0.6	0.1	0.1	1.0	0.7
Total Revenue	27.7	30.7	7.0	6.6	34.7	37.3
Expenses						
Governmental Activities						
General Government	5.5	5.2	-	-	5.5	5.2
Public Safety	9.5	9.1	-	-	9.5	9.1
Public Works	10.3	11.3	-	-	10.3	11.3
Interest	0.1	0.1	-	-	0.1	0.1
Business Type						
Water and Sewer	-	-	9.5	9.6	9.5	9.6
Total Expenses	25.4	25.7	9.5	9.6	34.9	35.3
Change in Net Position	2.3	5.0	(2.5)	(3.0)	(0.2)	2.0
Net position - beginning (restated)	188.1	203.6	64.2	68.0	252.3	271.6
Net position - ending	\$ 190.4	\$ 208.6	\$ 61.7	\$ 65.0	\$ 252.1	\$ 273.6

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

Normal Impacts

Revenues:

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

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

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

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

Expenses:

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

Increase in Authorized Personnel – changes in service demand may cause the Village Board to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent 57.2% 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 \$3.0 million from \$30.7 million to \$27.7 million. Decrease of \$3.4 million in capital grants/contributions and \$0.7 million in operating grants/contributions were offset by increases of \$0.7 million in other taxes, \$0.3 million in other revenue, and \$0.1 million in property tax. The \$4.1 million decrease in capital and operating grants/contributions was due to large donations for completed projects in FY15 that were not present in FY16. The increase of \$0.7 million in other taxes was due to increases of \$0.2 million in telecommunications tax, \$0.2 million in sales and use tax, \$0.2 million in income tax, and \$0.1 million in home rule sales tax. The increase of \$0.3 million in other revenue was due to an increase in insurance claims and sale of surplus property. The increase of \$0.1 million in property tax collections was due to higher collections during FY16.

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The Village has a diversified revenue structure and depends on several key revenue sources to help pay for the services provided. The Village's general fund property tax levy of \$5.7 million increased \$0.25 million from FY15 to FY16. 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 2.8% from FY14 (\$777,811,422) to FY15 (\$800,571,395). The Village's property tax rate was 0.7047 in 2014 and 0.7159 in 2015.

In the general government, state shared income and use tax per capita revenues increased 1.4% from FY15 to FY16. There were increases in sales tax revenues of 2.6%, income tax revenues of 5.1%, and home rule sales tax revenues of 2.5%. Utility tax revenues continued to decrease; there was a 5.8% decrease from the prior fiscal year. Telecommunication tax is collected and distributed by the State of Illinois; revenue receipts increased by 34.8% from FY15 to FY16.

Expenses:

The Village's governmental activities total expenses decreased \$0.3 million for FY16.

The Village's General Government function expenses increased \$0.3 million from \$5.2 million to \$5.5 million. The General Government expenses increased by \$0.3 million due to the payment of school impact fees in the Special Revenue Fund during FY16.

Public Safety expenses increased \$0.4 million from \$9.1 million to \$9.5 million. The Public Safety expenses increased mainly due to increases in personnel costs and other charges relating to pension contributions.

Public Works expenses decreased \$1.0 million from \$11.3 million to \$10.3 million. The Public Works expenses decreased mainly due to a decrease in the Street Improvement Fund infrastructure maintenance expenses.

Interest expenses were unchanged at \$0.1 million.

Business-type Activities

Revenue:

Total revenues for Business-type Activities increased \$0.4 million from \$6.6 million to \$7.0 million. There was an increase of \$0.8 million in charges for services and a decrease of \$0.4 million in capital grants/contributions. The \$0.8 million increase in charges for services was due to an increase in connection fees relating to new single family homes being developed during the fiscal year. The \$0.4 million decrease in capital grants/contributions was due to a decline in developer donations from FY15.

Expenses:

The Village's Business-type Activities total expenses decreased \$0.1 million from \$9.6 million to \$9.5 million. The overall change in expenses was due to a decrease of \$0.01 million in operating expenses.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Governmental Funds

At April 30, 2016, the governmental funds (as presented on the balance sheet on pages 8-9) reported a combined fund balance of \$32.8 million or an increase of 24.7% from \$26.3 million at the beginning of the year. Of the total fund balance, \$15.6 million is unassigned indicating availability for continuing Village services. The net increase in the Fund Balance of Governmental Funds of \$6.5 million was due to an increase of \$5.2 million in total assets, an increase of \$0.4 million in total liabilities, and a decrease of \$1.7 million in deferred inflows of resources.

The increase of \$5.0 million in total assets consisted of an increases of \$4.8 million in cash and equivalents, \$0.8 million in advance to other funds, and \$0.4 million in property tax receivables. These increases were offset by decreases of \$0.6 million in other taxes receivable, \$0.2 in other receivables, and \$0.3 in due from other funds. The increase in total liabilities of \$0.2 million was due to increases of \$0.9 million in advances from other funds which were offset by decreases of \$0.4 million in accounts payable and \$0.3 million in other liabilities. Deferred inflows of resources decreased \$1.7 million due to a decrease of \$2.1 million in unavailable revenues which was offset by an increase of \$0.4 million in unavailable property tax revenue.

The general fund total fund balance increased \$1.9 million from \$15.7 million in FY15 to \$17.6 million in FY16. General fund assets had a net increase of \$1.4 million due to an increases of \$1.5 million in cash and investments attributable to the operating surplus, and increases of \$0.6 million in advances to other funds, \$0.2 million in property taxes receivable. These increases were offset by decreases of \$0.7 million in other taxes receivables and \$0.2 million in due from other funds. General fund total liabilities remained relatively unchanged. Deferred inflows of resources increased \$0.4 million due to unavailable property tax revenue from FY15 to FY16.

The street improvement fund total fund balance increased \$2.9 million from \$8.4 million in FY15 to \$11.3 million in FY16. Assets increased \$2.4 million from FY15 to FY16. This included an increase in cash and investments of \$2.4 million, and \$0.2 million in advance to other funds. These increases were offset by a decrease of \$0.2 million in other receivables. Street improvement fund total liabilities and deferred inflows of resources decreased \$1.7 million due to decreases of \$1.2 million in unavailable revenue, and \$0.5 million in accounts payable from FY15 to FY16.

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 56. Actual spending was \$1.2 million less than the budget which was due to actual expenses less than budget of \$0.3 million in general government, \$0.5 million in public safety, and \$0.3 million in public works, \$0.1 million in capital outlay.

The \$0.3 million savings in general government expenses was due to decreases of \$0.4 million in administration and community development personnel, contractual services, and other charges offset as well as a decrease of \$0.1 million in pool contractual services. This was offset by an increase of \$0.2 million in special revenue school donation expenses.

The \$0.5 million savings in public safety expenses was due mainly to personnel savings relating to salaries and insurance.

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The \$0.3 million savings in public works was due to savings in personnel and commodities within the streets and parks and forestry divisions. Salaries had savings of \$0.1 million and Commodities (fuel, park upgrades) had savings of \$0.2 million.

The \$0.1 million savings in capital outlay was due to public safety capital improvements coming in under the expected budget.

Table 3				
General Fund Budgetary Highlights				
(in millions)				
	Original Budget	Amended Budget		
General Fund			Actual	
Revenues				
Taxes	\$ 6.061	\$ 6.061	\$ 6.037	
Intergovernmental	11.327	11.327	11.994	
Other	2.215	2.378	2.685	
Total	\$ 19.603	\$ 19.766	\$ 20.716	
Expenditures and Transfers				
Expenditures	\$ 19.274	\$ 19.443	\$ 18.261	
Transfers/Other Financing Sources (Uses)	0.603	0.603	0.600	
Total	19.877	20.046	18.861	
Change in Fund Balance	\$ (0.274)	\$ (0.280)	\$ 1.855	

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Capital Assets

At the end of FY16, the Village had a combined total of capital assets of \$238.31 million invested in a broad range of capital assets including land, buildings, vehicles, streets, bridges, storm sewers, water mains and sanitary sewer lines. (See Table 4 below.) This amount represents a net decrease (including additions and deletions) of \$5.9 million.

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

- Reconstruction of streets for Indian Grove for \$0.4 million
- Reconstruction of streets for Highland Avenue for \$0.2 million
- Rehabilitation of Boyer Road for \$0.1 million
- Developer donation of streets for Esplanade II Subdivision for \$0.3 million
- Repairs to Surrey Lane Creek and Drainage for \$0.2 million
- Downtown Streetscape Improvements for \$0.2 million
- Land purchase for Downtown Improvements of \$0.3 million
- Various water and sewer improvements for \$0.1 million
- IDOT completion of Western Bypass; capital asset donation of Main Street

Table 4						
Capital Assets at Year-End						
Net of Depreciation						
(in millions)						
	Governmental		Business-Type		Total Primary	
	Activities		Activities		Government	
	2016	2015	2016	2015	2016	2015
Land	\$ 94.68	\$ 94.69	\$ 3.64	\$ 3.64	\$ 98.32	\$ 98.33
Construction in Progress	1.24	2.29	0.07	1.30	1.31	3.59
Buildings	10.59	10.90	12.30	12.65	22.89	23.55
Vehicles and Equipment	1.11	1.20	0.36	0.39	1.47	1.59
Improvements other than Building	7.08	7.84	-	-	7.08	7.84
Streets/Storm Sewers/Bridges	66.95	67.26	-	-	66.95	67.26
Water and Sewer	-	-	40.29	42.01	40.29	42.01
Total	\$ 181.65	\$ 184.18	\$ 56.66	\$ 59.99	\$ 238.31	\$ 244.17

The following reconciliation summarizes the changes in Capital Assets which is presented in detail on pages 31 and 32 of the Notes.

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Table 5			
Change in Capital Assets			
(in millions)			
	Governmental	Business-Type	
	Activities	Activities	Total
Beginning Balance	\$ 184.18	\$ 59.99	\$ 244.17
Additions			
Depreciable	2.71	1.42	4.13
Non-Depreciation	-	-	-
Construction in Progress	1.47	0.13	1.60
Retirements			
Depreciable	(0.11)	(0.07)	(0.18)
Non-Depreciation	-	-	-
Construction in Progress	(2.52)	(1.36)	(3.88)
Depreciation and Retirement	(4.08)	(3.45)	(7.53)
Ending Balance	\$ 181.65	\$ 56.66	\$ 238.31

The Governmental Activities net Capital Assets net decrease of \$2.5 million was due mainly to decreases in construction in progress (\$1.1 million); improvements other than building (\$0.8 million); buildings (\$0.3 million); and street/storm sewers/bridges (\$0.3 million). Land remained relatively unchanged from the previous year. Street/storm sewers/bridges decrease of \$0.3 million was due to an increase of \$2.4 for additions and a decrease of \$2.7 for depreciation. Decreases in the remaining various accounts were due to normal depreciation expense.

The Business-type Activities net decrease of \$3.3 million in net Capital Assets was due mainly to decreases noted in water and sewer improvements (\$1.7 million); construction in progress (\$1.2 million); and buildings (\$0.4 million). Land and vehicles and equipment remained relatively unchanged. Water and sewer improvements recorded additions of \$1.4 million (a portion from construction in progress) which was offset by depreciation of \$3.1 million for a net decrease of \$1.7 million. Decreases in the remaining various accounts were due to normal depreciation expense.

Debt Outstanding

Since the mid-1990's, the Village of Algonquin has followed a "pay-as-you-go" philosophy to funding capital projects. Exceptions to this philosophy had been bonds issued to pay for the construction of the Village Hall in 1995-1996 and the Public Works Facility in 2002-2003. In December 2005, the Village authorized Bond Series 2005A in the amount of \$9,000,000 to partially finance the expansion of Phase 6 of the Wastewater Treatment Plant. Bond Series 2013 was issued in the amount of \$7,645,000 to refund Series 2005A. Bond Series 2005B was issued in the amount of \$2,935,000 to refund Series 2002B. Bond Series 2014A was issued in the amount of \$2,885,000 to refund Series 2005B. The Village has established the following five funds to accumulate monies over time to systematically construct and/or replace major assets: Motor Fuel Tax, Street Improvement, Parks, Water and Sewer Improvement and Construction, and the Village 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 FY16, 100% of the Home Rule Sales Tax was allocated to the Street Improvement Fund to provide funds for continued street infrastructure maintenance and improvements.

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The Village currently has two general obligation bond series. A total of \$8.815 million of general obligation bonds were outstanding at April 30, 2016. The governmental activities have \$2.33 million of general obligation bonds outstanding; business-type activities have \$6.485 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 increased due to the decrease in the Village's EAV. The 2015 tax levy was increased by approximately 4.5% for property tax collections in FY17. 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 FY16. The financial condition of the State government has continued to have a negative effect on the Village of Algonquin during the past few years. State shared revenues (state income tax and use tax) had been reduced from 2000 levels on a per-capita basis until FY05. State shared allocations then increased approximately 36% during the next three years, but began to soften in FY09. Since FY09, state distributions to local government have been late and distributions were two months in arrears at FY16. Despite the uncertainty, the FY16 state income tax increased by 2.6% from FY15 primarily due to an increase in the per capita of 1.4%. Current estimates indicate that the 2017 per-capita allocations will remain steady in FY17. However, the State of Illinois is discussing 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.

Construction in the local housing market increased due to the development of a new single family subdivision during FY16; there was a slight increase in permits for commercial construction as well. The Village's growth in sales tax revenues, EAV, and property tax receipts was consistent in the past decade until the state and local economies began to slow in FY09. Sales tax revenues continue to increase each year while property equalized assessments have decreased the past several years, but showed an increase in the current year. Sales tax revenues increased by 2.6% from FY15 to FY16. The property tax receipts had a slight increase from FY15 to FY16.

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, 2016

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
ASSETS			
Cash and cash equivalents	\$ 15,714,933	\$ 7,124,862	\$ 22,839,795
Investments	13,630,951	4,656,568	18,287,519
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	5,876,475	-	5,876,475
Other taxes	3,617,250	-	3,617,250
Intergovernmental, grants, and contributions	1,275,866	-	1,275,866
IPBC	8,077	-	8,077
Accrued interest	19,969	-	19,969
Accounts	22,835	803,564	826,399
Other	256,743	770,375	1,027,118
Internal balances	(15,389)	15,389	-
Prepaid items	82,108	25,343	107,451
Inventory	145,252	-	145,252
Investment in joint venture	347,511	-	347,511
Capital assets			
Nondepreciable	95,924,789	3,716,142	99,640,931
Depreciable, net of accumulated depreciation	85,727,005	52,948,007	138,675,012
	222,634,375	70,060,250	292,694,625
DEFERRED OUTFLOWS OF RESOURCES			
Pension items - Police Pension Fund	1,241,131	-	1,241,131
Pension items - IMRF	1,064,559	390,846	1,455,405
Deferred loss on refunding	42,336	148,334	190,670
	2,348,026	539,180	2,887,206
Total assets and deferred outflows of resources	224,982,401	70,599,430	295,581,831

(This statement is continued on the following page.)

VILLAGE OF ALGONQUIN, ILLINOIS

STATEMENT OF NET POSITION (Continued)

April 30, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts payable	\$ 1,755,298	\$ 534,168	\$ 2,289,466
Accrued interest	4,390	16,386	20,776
Unearned revenue - other	188,593	-	188,593
Other liabilities	23,830	-	23,830
Noncurrent liabilities			
Due within one year	1,252,883	749,783	2,002,666
Due in more than one year	24,455,003	7,551,533	32,006,536
Total liabilities	27,679,997	8,851,870	36,531,867
DEFERRED INFLOWS OF RESOURCES			
Pension items - Police Pension Fund	920,684	-	920,684
Pension items - IMRF	100,708	36,974	137,682
Deferred property tax revenue	5,876,475	-	5,876,475
Total deferred inflows of resources	6,897,867	36,974	6,934,841
Total liabilities and deferred inflows of resources	34,577,864	8,888,844	43,466,708
NET POSITION			
Net investment in capital assets	179,194,896	49,930,507	229,125,403
Restricted for			
Street maintenance	2,462,412	-	2,462,412
Capital projects	351,075	-	351,075
Cemetery	300,964	-	300,964
Debt service	-	806,625	806,625
Unrestricted	8,095,190	10,973,454	19,068,644
TOTAL NET POSITION	\$ 190,404,537	\$ 61,710,586	\$ 252,115,123

See accompanying notes to financial statements.

VILLAGE OF ALGONQUIN, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2016

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 5,526,982	\$ 1,282,209	\$ 240,145	\$ 6,400
Public safety	9,516,306	498,868	130,791	-
Public works	10,339,204	-	847,070	419,381
Debt service - interest and fees	58,580	-	-	-
Total governmental activities	25,441,072	1,781,077	1,218,006	425,781
Business-Type Activities				
Waterworks and sewerage	9,514,803	6,909,153	-	-
Total business-type activities	9,514,803	6,909,153	-	-
TOTAL PRIMARY GOVERNMENT	\$ 34,955,875	\$ 8,690,230	\$ 1,218,006	\$ 425,781

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (3,998,228)	\$ -	\$ (3,998,228)
	(8,886,647)	-	(8,886,647)
	(9,072,753)	-	(9,072,753)
	(58,580)	-	(58,580)
	(22,016,208)	-	(22,016,208)
	-	(2,605,650)	(2,605,650)
	-	(2,605,650)	(2,605,650)
	(22,016,208)	(2,605,650)	(24,621,858)
General Revenues			
Taxes			
Property	5,881,393	-	5,881,393
Home rule sales tax	4,120,849	-	4,120,849
Utility	899,377	-	899,377
Telecommunications	727,570	-	727,570
Hotel	45,509	-	45,509
Video gaming tax	96,068	-	96,068
Intergovernmental, unrestricted			
Sales and use tax	7,635,490	-	7,635,490
Personal property replacement	56,498	-	56,498
Income tax	3,899,246	-	3,899,246
Franchise fees	546,474	-	546,474
Investment income	111,774	24,551	136,325
Miscellaneous	293,938	80,427	374,365
Total	24,314,186	104,978	24,419,164
CHANGE IN NET POSITION	2,297,978	(2,500,672)	(202,694)
NET POSITION, MAY 1	208,617,756	65,010,943	273,628,699
Change in accounting principle	(19,605,256)	(799,685)	(20,404,941)
Prior period adjustment	(905,941)	-	(905,941)
NET POSITION, MAY 1, RESTATED	188,106,559	64,211,258	252,317,817
NET POSITION, APRIL 30	\$ 190,404,537	\$ 61,710,586	\$ 252,115,123

See accompanying notes to financial statements.

VILLAGE OF ALGONQUIN, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2016

	<u>General</u>	<u>Street Improvement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS				
Cash and cash equivalents	\$ 5,372,811	\$ 6,675,090	\$ 3,667,032	\$ 15,714,933
Investments	9,403,024	3,498,325	729,602	13,630,951
Receivables (net, where applicable, of allowances for uncollectibles)				
Property taxes	5,730,994	-	145,481	5,876,475
Other taxes	2,434,070	1,076,164	107,016	3,617,250
Intergovernmental, grants and contributions	53,180	902,685	320,001	1,275,866
IPBC	8,077	-	-	8,077
Accrued interest	19,969	-	-	19,969
Other	256,743	-	-	256,743
Due from other funds	72,751	-	-	72,751
Advance to other funds	624,149	212,931	-	837,080
Prepaid items	81,973	-	135	82,108
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	24,057,741	12,365,195	4,969,267	41,392,203

(This statement is continued on the following page.)

VILLAGE OF ALGONQUIN, ILLINOIS

BALANCE SHEET (Continued)
GOVERNMENTAL FUNDS

April 30, 2016

	<u>General</u>	<u>Street Improvement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 542,464	\$ 1,058,267	\$ 77,203	\$ 1,677,934
Unearned revenue	188,593	-	-	188,593
Advances from other funds	-	-	852,469	852,469
Other liabilities	23,830	-	-	23,830
Total liabilities	<u>754,887</u>	<u>1,058,267</u>	<u>929,672</u>	<u>2,742,826</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable property tax revenue	<u>5,730,994</u>	-	145,481	<u>5,876,475</u>
Total deferred inflows of resources	<u>5,730,994</u>	-	145,481	<u>5,876,475</u>
Total liabilities and deferred inflows of resources	<u>6,485,881</u>	<u>1,058,267</u>	<u>1,075,153</u>	<u>8,619,301</u>
FUND BALANCES				
Nonspendable				
Prepays	81,973	-	135	82,108
Advances	624,149	-	-	624,149
Restricted				
Donor programs	395,843	-	-	395,843
Street maintenance	-	-	2,462,412	2,462,412
Capital projects	-	-	351,075	351,075
Cemetery	-	-	300,964	300,964
Assigned				
Capital projects	-	11,306,928	1,008,487	12,315,415
Debt service	-	-	605,990	605,990
Unrestricted				
Unassigned	<u>16,469,895</u>	-	<u>(834,949)</u>	<u>15,634,946</u>
Total fund balances	<u>17,571,860</u>	<u>11,306,928</u>	<u>3,894,114</u>	<u>32,772,902</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 24,057,741</u>	<u>\$ 12,365,195</u>	<u>\$ 4,969,267</u>	<u>\$ 41,392,203</u>

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, 2016

FUND BALANCES OF GOVERNMENTAL FUNDS \$ 32,772,902

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
Less internal service fund capital assets included below 181,538,331

Deferred loss on refunding of debt is not considered to represent a financial resource and, therefore, is not reported in the governmental funds 42,336

Investment in joint venture is not considered to represent a financial resource and, therefore, is not reported in the funds 347,511

An internal service fund is used by management to charge vehicle maintenance costs to individual funds. The assets and liabilities of the internal service fund included in the governmental activities in the statement of net position 131,435

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 963,851

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 320,447

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 (4,390)
Net other postemployment benefit obligation (363,951)
Compensated absences (999,090)
Unamortized premium (75,830)
Capital lease (51,068)
Net pension liability - IMRF (3,638,054)
Net pension liability - Police Pension Plan (18,249,893)
General obligation bonds payable (2,330,000)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 190,404,537

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, 2016

	General	Street Improvement	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 6,037,232	\$ 5,359,273	\$ 374,262	\$ 11,770,767
Intergovernmental, grants and contributions	11,993,480	-	815,794	12,809,274
Charges for services	350,064	-	428,506	778,570
Licenses and permits	823,414	-	-	823,414
Fines and forfeits	551,438	-	-	551,438
Investment income	96,075	16,554	7,218	119,847
Miscellaneous	864,384	-	21,386	885,770
Total revenues	20,716,087	5,375,827	1,647,166	27,739,080
EXPENDITURES				
Current				
General government	4,465,533	-	275,378	4,740,911
Public safety	8,864,640	-	-	8,864,640
Public works	4,416,442	1,281,773	508,899	6,207,114
Capital outlay	489,758	1,166,127	428,642	2,084,527
Debt service				
Principal retirement	20,825	-	545,000	565,825
Interest and fiscal charges	3,930	-	64,110	68,040
Total expenditures	18,261,128	2,447,900	1,822,029	22,531,057
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,454,959	2,927,927	(174,863)	5,208,023
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	599,829	599,829
Transfers (out)	(599,829)	-	-	(599,829)
Total other financing sources (uses)	(599,829)	-	599,829	-
NET CHANGE IN FUND BALANCES	1,855,130	2,927,927	424,966	5,208,023
FUND BALANCES, MAY 1	15,841,185	7,150,408	3,284,148	26,275,741
Prior period adjustment	(124,455)	1,228,593	185,000	1,289,138
FUND BALANCES, MAY 1, RESTATED	15,716,730	8,379,001	3,469,148	27,564,879
FUND BALANCES, APRIL 30	\$ 17,571,860	\$ 11,306,928	\$ 3,894,114	\$ 32,772,902

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, 2016

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 5,208,023
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	1,678,494
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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	545,000
Principal on capital lease	20,825

The change in the net pension liability for the Illinois Municipal Retirement Fund is reported only in the statement of activities	(1,264,289)
--	-------------

The change in deferred inflows and outflows of resources for the Illinois Municipal Retirement Fund is reported only in the statement of activities	768,207
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The change in the net pension liability for the Police Pension Fund is reported only in the statement of activities	(847,888)
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The change in deferred inflows and outflows for the Police Pension Fund is reported only in the statement of activities	320,447
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The change in the net position of the internal service funds is reported only in the statement of activities	43,271
--	--------

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	(4,187,955)
Change in investment in joint venture	(19,607)
Change in net other postemployment benefit obligation	(23,010)
Change in compensated absences	47,000
Change in accrued interest payable	908
Amortization of bond premium	19,361
Amortization of deferred loss on refunding	(10,809)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 2,297,978</u>
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See accompanying notes to financial statements.

VILLAGE OF ALGONQUIN, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

For the Year Ended April 30, 2016

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage	Internal Service
CURRENT ASSETS		
Cash and cash equivalents	\$ 7,124,862	\$ -
Investments	3,849,943	-
Receivables		
Accounts	803,564	22,835
Other	770,375	-
Prepaid items	25,343	-
Inventory	-	145,252
Restricted assets - investments	806,625	-
	<hr/>	<hr/>
Total current assets	13,380,712	168,087
NONCURRENT ASSETS		
Advances to other funds	15,389	-
Capital assets		
Nondepreciable	3,716,142	-
Depreciable, net of accumulated depreciation	52,948,007	113,463
	<hr/>	<hr/>
Total capital assets	56,664,149	113,463
	<hr/>	<hr/>
Total noncurrent assets	56,679,538	113,463
	<hr/>	<hr/>
Total assets	70,060,250	281,550
DEFERRED OUTFLOW OF RESOURCES		
Pension items - IMRF	390,846	-
Deferred loss on refunding	148,334	-
	<hr/>	<hr/>
Total deferred outflow of resources	539,180	-
	<hr/>	<hr/>
Total assets and deferred outflow of resources	70,599,430	281,550

(This statement is continued on the following page.)

VILLAGE OF ALGONQUIN, ILLINOIS

STATEMENT OF NET POSITION (Continued)
 PROPRIETARY FUNDS

For the Year Ended April 30, 2016

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage	Internal Service
CURRENT LIABILITIES		
Accounts payable	\$ 534,168	\$ 77,364
Accrued interest	16,386	-
Due to other funds	-	72,751
Current portion of long-term debt	749,783	-
	<hr/>	<hr/>
Total current liabilities	1,300,337	150,115
LONG-TERM LIABILITIES		
Long-term liabilities	7,551,533	-
	<hr/>	<hr/>
Total long-term liabilities	7,551,533	-
	<hr/>	<hr/>
Total liabilities	8,851,870	150,115
DEFERRED INFLOWS OF RESOURCES		
Pension items - IMRF	36,974	-
	<hr/>	<hr/>
Total liabilities and deferred inflows of resources	8,888,844	150,115
NET POSITION		
Net investment in capital assets	49,930,507	113,463
Restricted for debt service	806,625	-
Unrestricted	10,973,454	17,972
	<hr/>	<hr/>
TOTAL NET POSITION	\$ 61,710,586	\$ 131,435
	<hr/> <hr/>	<hr/> <hr/>

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, 2016

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage	Internal Service
OPERATING REVENUES		
Charges for services	\$ 6,828,315	\$ -
Administrative fee	80,838	-
Maintenance billings	-	1,667,870
Fleet maintenance	-	307,694
Miscellaneous	80,427	398
	6,989,580	1,975,962
OPERATING EXPENSES		
Water operations	2,839,928	-
Sewer operations	2,691,258	-
Nondepartmental	267,304	-
Building services	-	874,993
Vehicle maintenance	-	1,039,725
Depreciation	3,513,150	17,973
	9,311,640	1,932,691
	(2,322,060)	43,271
OPERATING INCOME (LOSS)		
NON-OPERATING REVENUES (EXPENSES)		
Investment income	24,551	-
Interest expense and fiscal agent fees	(203,163)	-
	(178,612)	-
	(2,500,672)	43,271
CHANGE IN NET POSITION		
NET POSITION, MAY 1	65,010,943	88,164
Change in accounting principle	(799,685)	-
	64,211,258	88,164
NET POSITION, MAY 1, RESTATED		
	\$ 61,710,586	\$ 131,435
NET POSITION, APRIL 30		
	\$ 61,710,586	\$ 131,435

See accompanying notes to financial statements.

VILLAGE OF ALGONQUIN, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended April 30, 2016

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 6,071,170	\$ 301,297
Cash received for interfund services provided	-	1,628,875
Cash paid to suppliers	(2,450,603)	(1,178,655)
Cash paid to employees	(3,016,539)	(764,299)
	<hr/>	<hr/>
Net cash from operating activities	604,028	(12,782)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Interfund activity	(15,389)	12,782
	<hr/>	<hr/>
Net cash from noncapital financing activities	(15,389)	12,782
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	(122,615)	-
Proceeds from sale of capital assets	7,546	-
Interest paid on bonds	(203,163)	-
Principal paid on general obligation bond maturities	(590,000)	-
	<hr/>	<hr/>
Net cash from capital and related financing activities	(908,232)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investment securities	(367,803)	-
Sale of investment securities	779,775	-
Interest received	24,551	-
	<hr/>	<hr/>
Net cash from investing activities	436,523	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	116,930	-
CASH AND CASH EQUIVALENTS, MAY 1	<hr/>	<hr/>
	7,007,932	-
CASH AND CASH EQUIVALENTS, APRIL 30	<hr/>	<hr/>
	\$ 7,124,862	\$ -

(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, 2016

	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)	\$ (2,322,060)	\$ 43,271
Adjustments to reconcile operating income		
(loss) to net cash from operating activities		
Depreciation and amortization	3,513,150	17,973
Changes in assets and liabilities		
Accounts receivable	22,028	(5,484)
Other receivables	(769,817)	-
Prepaid items	607	-
Inventory	-	(4,169)
Accounts payable	39,026	(64,373)
Accrued interest payable	(1,475)	-
Change in deferred refunding gain/loss	14,958	-
Pension related items	110,304	-
Compensated absences payable	(2,693)	-
NET CASH FROM OPERATING ACTIVITIES	\$ 604,028	\$ (12,782)

See accompanying notes to financial statements.

VILLAGE OF ALGONQUIN, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

April 30, 2016

	Police		Agency
	Pension		
ASSETS			
Cash and short-term investments	\$ 341,893	\$	250,283
Investments			
U.S. treasury securities	2,385,777		-
U.S. agency securities	1,839,908		-
Mutual funds	9,791,956		-
Equities	2,674,681		-
Illinois funds	237,378		-
Money market funds	279,795		-
Municipal bonds	145,157		-
Corporate bonds	4,520,242		-
Receivables			
Accrued interest receivable	79,218		-
Total assets	22,296,005	\$	250,283
LIABILITIES			
Deposits	-	\$	250,283
Total liabilities	-	\$	250,283
NET POSITION RESTRICTED FOR PENSIONS	\$ 22,296,005		

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, 2016

ADDITIONS

Contributions	
Employer	\$ 1,240,000
Employee	450,578
	<hr/>
Total contributions	1,690,578
	<hr/>
Investment income	
Net depreciation in fair value of investments	(486,830)
Interest	500,835
	<hr/>
Total investment income	14,005
	<hr/>
Less investment expense	(81,708)
	<hr/>
Net investment income	(67,703)
	<hr/>
Total additions	1,622,875

DEDUCTIONS

Benefits and refunds	903,832
Administration	28,723
	<hr/>
Total deductions	932,555

NET INCREASE 690,320

**NET POSITION RESTRICTED
FOR PENSIONS**

May 1	<hr/> 21,605,685
April 30	<hr/> <hr/> \$ 22,296,005

See accompanying notes to financial statements.

VILLAGE OF ALGONQUIN, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2016

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 some other fund.

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 and agency fund, which are 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 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 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 and an Agency 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 are stated at fair value, except for insurance contracts, which are carried at contract value.

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.

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 fair market value on the date received.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Capital Assets (Continued)

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. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets 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.

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, or externally imposed by outside entities. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Fund Balance/Net Position (Continued)

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.

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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Interfund Transactions (Continued)

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 generally accepted accounting principles 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 Illinois Funds (a money market fund created by the State of Illinois under the State Treasurer that maintains a \$1 per share value).

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

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

2. DEPOSITS AND INVESTMENTS (Continued)

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 market value of the net amount of public funds secured. Pledged collateral will be held in safekeeping by an independent third party depository designated by the Village and evidenced by a safekeeping agreement. As of April 30, 2016, 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.

Investments

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

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S Treasury securities	\$ 50,219	\$ -	\$ 50,219	\$ -	\$ -
U.S. agency securities	2,351,951	151,330	1,000,450	702,031	498,140
Municipal bonds	318,401	126,582	191,819	-	-
Negotiable certificates of deposit	1,284,707	55,073	1,229,634	-	-
TOTAL	\$ 4,005,278	\$ 332,985	\$ 2,472,122	\$ 702,031	\$ 498,140

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 two 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.

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

2. DEPOSITS AND INVESTMENTS (Continued)

a. Village Deposits and Investments (Continued)

Investments (Continued)

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. Illinois Funds and Illinois Metropolitan Investment Fund (IMET) are rated AAA. The Village's Municipal Bonds have ratings from A+ to AA-.

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. 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 2015 levy year attach as an enforceable lien on January 1, 2015, 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, 2016 and August 1, 2016, and are payable in two installments, on or about June 1, 2016 and September 1, 2016. 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 2015 taxes are intended to finance the 2017 fiscal year and are not considered available for current operations and are, therefore, shown as unavailable/deferred revenue. The 2016 tax levy has not been recorded as a receivable at April 30, 2016, as the tax attached as a lien on property as of January 1, 2016; however, the tax will not be levied until December 2016 and, accordingly, is not measurable at April 30, 2016.

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

4. CAPITAL ASSETS

Capital Assets

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

	Beginning Balances, Restated	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 94,685,873	\$ -	\$ -	\$ 94,685,873
Construction in progress	2,289,736	1,465,951	2,516,771	1,238,916
Total capital assets not being depreciated	96,975,609	1,465,951	2,516,771	95,924,789
Capital assets being depreciated				
Buildings	15,976,573	-	-	15,976,573
Improvements other than buildings	15,822,693	-	-	15,822,693
Vehicles and equipment	6,336,143	263,524	87,335	6,512,332
Streets/storm sewers/bridges	108,803,301	2,447,817	25,247	111,225,871
Total capital assets being depreciated	146,938,710	2,711,341	112,582	149,537,469
Less accumulated depreciation for				
Buildings	5,071,123	319,008	-	5,390,131
Improvements other than buildings	7,978,926	768,634	-	8,747,560
Vehicles and equipment	5,138,054	349,032	87,335	5,399,751
Streets/storm sewers/bridges	41,546,988	2,751,281	25,247	44,273,022
Total accumulated depreciation	59,735,091	4,187,955	112,582	63,810,464
Total capital assets being depreciated, net	87,203,619	(1,476,614)	-	85,727,005
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 184,179,228	\$ (10,663)	\$ 2,516,771	\$ 181,651,794
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 3,644,048	\$ -	\$ -	\$ 3,644,048
Construction in progress	1,300,161	131,479	1,359,546	72,094
Total capital assets not being depreciated	4,944,209	131,479	1,359,546	3,716,142
Capital assets being depreciated				
Water and sewer system	91,349,128	1,373,046	11,313	92,710,861
Buildings	17,403,306	-	-	17,403,306
Vehicles and equipment	1,372,270	43,976	55,027	1,361,219
Total capital assets being depreciated	110,124,704	1,417,022	66,340	111,475,386
Less accumulated depreciation for				
Water and sewer system	49,338,417	3,087,481	8,735	52,417,163
Buildings	4,759,907	348,066	-	5,107,973
Vehicles and equipment	979,667	77,603	55,027	1,002,243
Total accumulated depreciation	55,077,991	3,513,150	63,762	58,527,379
Total capital assets being depreciated, net	55,046,713	(2,096,128)	2,578	52,948,007
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	\$ 59,990,922	\$ (1,964,649)	\$ 1,362,124	\$ 56,664,149

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

4. CAPITAL ASSETS (Continued)

Capital Assets (Continued)

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

GOVERNMENTAL ACTIVITIES	
General government	\$ 304,739
Public safety	27,235
Highways and streets	<u>3,855,981</u>
 TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	 <u>\$ 4,187,955</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, quasigovernmental, 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, 2015, 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 \$558,907 to SEECOM during fiscal year 2016. In addition, the Village's equity interest in the joint venture's net position of \$347,511 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 2.0% to 2.5% payable each April 1 and October 1 through April 1, 2020.	Debt Service	\$ 2,875,000	\$ -	\$ 545,000	\$ 2,330,000	\$ 550,000
\$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	7,075,000	-	590,000	6,485,000	610,000
TOTAL GENERAL OBLIGATION BONDS		\$ 9,950,000	\$ -	\$ 1,135,000	\$ 8,815,000	\$ 1,160,000

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
	2017	\$ 550,000	\$ 52,675	\$ 610,000
2018	565,000	41,675	630,000	178,325
2019	600,000	30,375	665,000	159,425
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	\$ 2,330,000	\$ 140,100	\$ 6,485,000	\$ 1,042,575

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	\$ 2,875,000	\$ -	\$ 545,000	\$ 2,330,000	\$ 550,000
Unamortized premium	95,191	-	19,361	75,830	-
Capital lease	71,893	-	20,825	51,068	21,951
Compensated absences*	1,046,090	1,392,965	1,439,965	999,090	680,932
Net pension liability (IMRF)*	2,373,765	1,264,289	-	3,638,054	-
Net pension liability (Police Pension)*	17,402,005	847,888	-	18,249,893	-
Net OPEB obligation*	340,941	23,010	-	363,951	-
TOTAL	\$ 24,204,885	\$ 3,528,152	\$ 2,025,151	\$ 25,707,886	\$ 1,252,883

*These liabilities are generally retired by the General Fund.

As discussed in Note 12, beginning balances were restated to record the opening net pension liability and deferred outflow of resources amounts for the Illinois Municipal Retirement Fund and Police Pension Fund.

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

7. LONG-TERM DEBT (Continued)

c. Changes in Long-Term Liabilities

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	\$ 7,075,000	\$ -	\$ 590,000	\$ 6,485,000	\$ 610,000
Unamortized premium	273,715	-	25,073	248,642	-
Compensated absences payable	234,679	300,803	303,496	231,986	139,783
Net pension liability (IMRF)	871,512	464,176	-	1,335,688	-
TOTAL	\$ 8,454,906	\$ 764,979	\$ 918,569	\$ 8,301,316	\$ 749,783

As discussed in Note 12, beginning balances were restated to record the opening net pension liability and deferred outflow of resources amounts for the Illinois Municipal Retirement Fund.

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.

The future minimum lease obligations and net present value of the minimum lease payments as of April 30, 2016 are as follows:

<u>Fiscal Year</u>	<u>Future Obligations</u>
2017	\$ 24,120
2018	24,120
2019	6,032
Subtotal	54,272
Less interest	(3,204)
PRESENT VALUE OF MINIMUM LEASE PAYMENTS	\$ 51,068

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

8. INTERFUND ACTIVITY

Individual fund amounts due to other funds were as follows:

Fund	Due from	Due to
General	\$ 72,751	\$ -
Internal Service Funds	-	72,751
TOTAL	\$ 72,751	\$ 72,751

The purposes of significant interfund balances are as follows:

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

Individual fund advances were as follows:

Fund	Advances from	Advances to
General	\$ 624,149	\$ -
Street Improvement Fund	212,931	-
Nonmajor Governmental	-	852,469
Water and Sewer	15,389	-
TOTAL	\$ 852,469	\$ 852,469

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	\$ -	\$ 599,829
Debt Service	599,829	-
TOTAL	\$ 599,829	\$ 599,829

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.

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.

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.

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, 2015, IMRF membership consisted of:

Inactive employees or their beneficiaries	
currently receiving benefits	41
Inactive employees entitled to but not yet receiving benefits	53
Active employees	<u>96</u>
 TOTAL	 <u><u>190</u></u>

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 calendar year ended December 31, 2015 was 11.66% 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, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2015
Actuarial cost method	Entry-age Normal
Assumptions	
Inflation	2.75%
Salary increases	3.75% to 14.50%
Interest rate	7.48%
Cost of living adjustments	3.00%
Asset valuation method	Market value

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

VILLAGE OF 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 7.48%. 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 not be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments of 7.50% was blended with the index rate of 3.57% for tax exempt general obligation municipal bonds rated AA or better at December 31, 2015 to arrive at a discount rate of 7.48% used to determine the total pension liability.

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2015	\$ 24,187,388	\$ 20,942,111	\$ 3,245,277
Changes for the period			
Service cost	756,829	-	756,829
Interest	1,819,378	-	1,819,378
Difference between expected and actual experience	(161,237)	-	(161,237)
Changes in assumptions	40,403	-	40,403
Employer contributions	-	773,192	(773,192)
Employee contributions	-	304,371	(304,371)
Net investment income	-	106,029	(106,029)
Benefit payments and refunds	(550,096)	(550,096)	-
Administrative expense	-	(456,684)	456,684
Net changes	1,905,277	176,812	1,728,465
BALANCES AT DECEMBER 31, 2015	\$ 26,092,665	\$ 21,118,923	\$ 4,973,742

Changes in assumptions related to retirement age and mortality 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, 2015, the Village recognized pension expense of \$1,431,860.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 137,682
Changes in assumption	34,500	-
Contributions made between January 1, 2016 and April 30, 2016	247,078	-
Net difference between projected and actual earnings on pension plan investments	1,173,827	-
	<hr/>	<hr/>
TOTAL	\$ 1,455,405	\$ 137,682

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

Year Ending <u>April 30,</u>	
2017	\$ 522,883
2018	275,805
2019	275,805
2020	275,804
2021	(17,652)
Thereafter	(14,922)
	<hr/>
TOTAL	\$ 1,317,723

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 7.48% 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 (6.48%) or 1 percentage point higher (8.48%) than the current rate:

	1% Decrease (6.48%)	Current Discount Rate (7.48%)	1% Increase (8.48%)
Net pension liability (asset)	\$ 9,420,406	\$ 4,973,742	\$ 1,421,776

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, 2016, the measurement date, the Police Pension Plan membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	15
Inactive plan members entitled to but no yet receiving benefits	1
Active plan members	44
 TOTAL	 60

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 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive 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 \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided (Continued)

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. For the year ended April 30, 2016, the Village's contribution was 30.4% 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 Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value).

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, 2016.

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%	1.0% to 2.7%
Equities and Alternatives	65%	3.4 % to 9.9%

*Net of inflation assumption of 2.3%.

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

The Long-Term Expected Real Rate of Returns for the asset classes above are calculated on a geometric mean basis and are net of inflation and investment expense. Asset class returns are from the Stocks, Bonds, Bills and Inflation 2013 Yearbook - Morningstar for the period December 31, 1925 through December 31, 2014 except for the asset class returns for the international equities which are from the MSCI EAFE Index for the period December 31, 1976 through December 31, 2014.

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Valuations

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

Investment Concentrations

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

Investment Rate of Return

For the year ended April 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (0.31%). 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, 2016, 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.

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Interest Rate Risk (Continued)

The following table presents the investments and maturities of the Fund's debt securities and money market mutual funds as of April 30, 2016:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 2,385,777	\$ -	\$ 931,639	\$ 855,645	\$ 598,493
U.S. agency obligations	1,839,908	122,374	457,812	677,069	582,653
Corporate bonds	4,520,242	181,847	2,603,657	1,196,399	538,339
State and local obligations	145,157	25,057	83,612	36,488	-
TOTAL	\$ 8,891,084	\$ 329,278	\$ 4,076,720	\$ 2,765,601	\$ 1,719,485

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. Illinois Funds and Illinois Metropolitan Investment Fund (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.

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.

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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 December 31, 2040. 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.

Changes in Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT MAY 1, 2015	\$ 39,007,690	\$ 21,605,686	\$ 17,402,004
Changes for the period			
Service cost	861,720	-	861,720
Interest	2,602,515	-	2,602,515
Difference between expected and actual experience	(277,976)	-	(277,976)
Changes in assumptions	(744,218)	-	(744,218)
Employer contributions	-	1,240,000	(1,240,000)
Employee contributions	-	450,578	(450,578)
Net investment income	-	(67,456)	67,456
Benefit payments and refunds	(903,832)	(903,832)	-
Administrative expense	-	(28,970)	28,970
Net changes	1,538,209	690,320	847,889
BALANCES AT APRIL 31, 2016	\$ 40,545,899	\$ 22,296,006	\$ 18,249,893

There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, retirement rates, disability rates, and termination rates.

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, 2016 using the following actuarial methods and assumptions.

Actuarial valuation date	April 30, 2016
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	4.00% to 21.51%
Interest rate	6.75%
Postretirement benefit increases	3.00%
Asset valuation method	Market

Mortality rates were based on the L&A 2016 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	\$ 26,134,709	\$ 18,249,893	\$ 12,037,781

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, 2016, the Village recognized police pension expense of \$1,767,442. At April 30, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 250,371
Changes in assumption	-	670,313
Net difference between projected and actual earnings on pension plan investments	<u>1,241,131</u>	-
TOTAL	<u><u>\$ 1,241,131</u></u>	<u><u>\$ 920,684</u></u>

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:

<u>Year Ending April 30,</u>	
2017	\$ 208,773
2018	208,773
2019	208,773
2020	208,772
2021	(101,510)
Thereafter	<u>(413,134)</u>
TOTAL	<u><u>\$ 320,447</u></u>

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. The Plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the Plan. The Plan does not issue a separate report. The activity of the Plan is reported in the Village's General 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. 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, 2014 (census date), membership consisted of:

Actives fully eligible to retire	16
Actives not yet fully eligible to retire	132
Retirees	<u>7</u>
TOTAL	<u><u>155</u></u>
 Participating employers	 <u><u>1</u></u>

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

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

d. Funding Policy

All retirees contribute 100% of the premium to the Plan to cover the cost of providing the benefits to the retirees via the health insurance plan (pay as you go), which results in an implicit subsidy to the Village as defined by GASB Statement No. 45. The Village pays 100% of the premium for certain disabled employees. The Village is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the Plan until retirement.

e. Annual OPEB Costs and Net OPEB Obligation

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

Year Ended April 30,	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2016	\$ 64,902	\$ 41,892	64.55%	\$ 363,951
2015	101,427	15,548	15.3%	340,941
2014	101,653	14,841	14.6%	255,062

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

Annual required contribution	\$ 103,966
Interest on net OPEB obligation	15,342
Adjustment to annual required contribution	<u>(54,406)</u>
Annual OPEB cost	64,902
Contributions made	<u>41,892</u>
Increase in net OPEB obligation	23,010
Net OPEB obligation, beginning of year	<u>340,941</u>
NET OPEB OBLIGATION, END OF YEAR	<u><u>\$ 363,951</u></u>

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

f. Funded Status and Funding Progress

The funded status of the Plan as of April 30, 2014 (latest information available) was as follows:

Actuarial accrued liability (AAL)	\$ 1,077,548
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	1,077,548
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$ 10,816,821
UAAL as a percentage of covered payroll	9.31%

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

g. Actuarial Methods and Assumptions

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

In the April 30, 2014 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included a 4.5% investment rate of return (net of administrative expenses) and an initial and ultimate annual healthcare cost trend rate of 7% and 5%, respectively. These rates include a 3% inflation assumption. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis over 30 years.

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

12. CHANGE IN ACCOUNTING PRINCIPLE/PRIOR PERIOD ADJUSTMENTS

With the implementation of GASB Statements No. 68 and No. 71, the Village is required to retroactively record the net pension liability and deferred outflows of resources and write-off the net pension obligation. Additionally, the Village changed its revenue recognition policy for its recognition of state taxes and intergovernmental agreements that resulted in the prior period adjustments presented in detail below.

The Village recorded the following adjustments as a result of the change in accounting principles during year ended April 30, 2016:

	<u>Increase (Decrease)</u>
CHANGE IN ACCOUNTING PRINCIPLE AND PRIOR PERIOD ADJUSTMENTS - GOVERNMENTAL ACTIVITIES	
Change in accounting principles/prior period adjustments	
To remove the net pension asset previously recognized for the Police Pension Plan prior to the implementation of GASB Statement No. 68.	\$ (25,130)
To record the Police Pension Plan net pension liability.	(17,402,005)
To record the IMRF net pension liability.	(2,373,763)
To record the IMRF deferred outflows of resources.	<u>195,642</u>
 Total change in accounting principle	 <u>(19,605,256)</u>
 Change in revenue recognition policy.	 <u>(905,941)</u>
 Total prior period adjustments	 <u>(905,941)</u>
 TOTAL CHANGE IN ACCOUNTING PRINCIPLE AND PRIOR PERIOD ADJUSTMENTS - GOVERNMENTAL ACTIVITIES	 <u>\$ (20,511,197)</u>
 CHANGE IN ACCOUNTING PRINCIPLE - BUSINESS-TYPE ACTIVITIES	
To record the IMRF net pension liability.	\$ (871,514)
To record the IMRF deferred outflows of resources.	<u>71,829</u>
 TOTAL CHANGE IN ACCOUNTING PRINCIPLE - BUSINESS-TYPE ACTIVITIES	 <u>\$ (799,685)</u>

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

12. CHANGE IN ACCOUNTING PRINCIPLE/PRIOR PERIOD ADJUSTMENTS
(Continued)

	<u>Increase (Decrease)</u>
PRIOR PERIOD ADJUSTMENTS - GENERAL FUND	
Change in revenue recognition policy.	<u>\$ (124,455)</u>
TOTAL PRIOR PERIOD ADJUSTMENTS - GENERAL FUND	<u>\$ (124,455)</u>
PRIOR PERIOD ADJUSTMENTS - STREET IMPROVEMENT FUND	
Change in revenue recognition policy.	<u>\$ 1,228,593</u>
TOTAL PRIOR PERIOD ADJUSTMENTS - STREET IMPROVEMENT FUND	<u>\$ 1,228,593</u>
PRIOR PERIOD ADJUSTMENTS - NONMAJOR GOVERNMENTAL FUNDS	
Change in revenue recognition policy.	<u>\$ 185,000</u>
TOTAL PRIOR PERIOD ADJUSTMENTS - NONMAJOR GOVERNMENTAL FUNDS	<u>\$ 185,000</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES			
Taxes	\$ 6,061,000	\$ 6,061,000	\$ 6,037,232
Intergovernmental, grants and contributions	11,326,500	11,326,500	11,993,480
Charges for services	399,900	399,900	350,064
Licenses and permits	518,000	538,000	823,414
Fines and forfeits	676,500	676,500	551,438
Investment income	84,700	84,700	96,075
Miscellaneous	536,100	679,590	864,384
	<hr/>	<hr/>	<hr/>
Total revenues	19,602,700	19,766,190	20,716,087
EXPENDITURES			
Current			
General government	4,718,850	4,734,650	4,465,533
Public safety	9,349,635	9,349,515	8,864,640
Public works	4,762,775	4,772,975	4,416,442
Debt service			
Capital lease principal	24,000	20,825	20,825
Interest and fiscal charges	815	4,110	3,930
Capital outlay	418,250	561,740	489,758
	<hr/>	<hr/>	<hr/>
Total expenditures	19,274,325	19,443,815	18,261,128
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	<hr/>	<hr/>	<hr/>
	328,375	322,375	2,454,959
OTHER FINANCING SOURCES (USES)			
Transfers in	179,700	179,700	122,487
Transfers (out)	(782,375)	(782,375)	(722,316)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(602,675)	(602,675)	(599,829)
NET CHANGE IN FUND BALANCE			
	<hr/>	<hr/>	<hr/>
	\$ (274,300)	\$ (280,300)	1,855,130
FUND BALANCE, MAY 1			
			15,841,185
Prior period adjustment			<hr/> (124,455)
FUND BALANCE, MAY 1, RESTATED			
			<hr/> 15,716,730
FUND BALANCE, APRIL 30			
			<hr/> <u>\$ 17,571,860</u>

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

**SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

April 30, 2016

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1)/(2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4)/(5)
2011	\$ -	\$ 979,390	0.00%	\$ 979,390	\$ 10,302,008	9.51%
2012	N/A	N/A	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A	N/A
2014	-	1,007,548	0.00%	1,007,548	10,816,821	9.31%
2015	N/A	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A	N/A	N/A

N/A - Actuarial valuation not performed

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2016

	<u>2016</u>
Actuarially determined contribution	\$ 753,644
Contributions in relation to the actuarially determined contribution	<u>(753,644)</u>
CONTRIBUTION DEFICIENCY (Excess)	<u><u>\$ -</u></u>
Covered-employee payroll	\$ 6,631,156
Contributions as a percentage of covered-employee payroll	11.37%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of December 31, 2015. Additional information as of the latest valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization period was 28 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.5% annually, projected salary increases assumption of 4.4% to 16.0% compounded annually, and postretirement benefit increases of 3.0% compounded annually.

VILLAGE OF ALGONQUIN, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Actuarially determined contribution	\$ 489,474	\$ 444,960	\$ 676,838	\$ 768,620	\$ 916,506	\$ 933,392	\$ 987,225	\$ 1,010,427	\$ 1,178,898	\$ 1,239,425
Contributions in relation to the actuarially determined contribution	490,085	445,268	677,063	767,532	916,349	937,750	978,923	1,025,000	1,179,000	1,240,000
CONTRIBUTION DEFICIENCY (Excess)	\$ (611)	\$ (308)	\$ (225)	\$ 1,088	\$ 157	\$ (4,358)	\$ 8,302	\$ (14,573)	\$ (102)	\$ (575)
Covered-employee payroll	\$ 3,213,288	\$ 3,529,291	\$ 3,799,289	\$ 3,865,273	\$ 4,008,376	\$ 4,145,760	\$ 4,221,895	\$ 4,193,768	\$ 4,151,265	\$ 4,077,186
Contributions as a percentage of covered-employee payroll	15.3%	12.6%	17.8%	19.9%	22.9%	22.6%	23.2%	24.4%	28.4%	30.4%

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 26 years; the asset valuation was at five-year smoothed market value; and the significant actuarial assumptions were an investment rate of return at 7.0% annually, projected salary increases assumption of 5.5%, and postretirement benefit increases of 3.0% compounded annually.

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

April 30, 2016

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution</u>	<u>Percentage</u>
2011	\$ 25,438	\$ 48,919	52.00%
2012	13,030	56,407	23.10%
2013	13,989	56,407	24.80%
2014	14,763	103,966	14.20%
2015	15,548	103,966	14.95%
2016	41,892	103,966	40.29%

(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

April 30, 2016

	<u>2015*</u>
TOTAL PENSION LIABILITY	
Service cost	\$ 756,829
Interest	1,819,378
Changes of benefit terms	-
Differences between expected and actual experience	(161,237)
Changes of assumptions	40,403
Benefit payments, including refunds of member contributions	<u>(550,096)</u>
Net change in total pension liability	1,905,277
Total pension liability - beginning	<u>24,187,388</u>
TOTAL PENSION LIABILITY - ENDING	<u>\$ 26,092,665</u>
PLAN FIDUCIARY NET POSITION	
Contributions - employer	\$ 773,192
Contributions - member	304,371
Net investment income	106,029
Benefit payments, including refunds of member contributions	(550,096)
Administrative expense	<u>(456,684)</u>
Net change in plan fiduciary net position	176,812
Plan fiduciary net position - beginning	<u>20,942,111</u>
PLAN FIDUCIARY NET POSITION - ENDING	<u>\$ 21,118,923</u>
EMPLOYER'S NET PENSION LIABILITY	<u>\$ 4,973,742</u>
Plan fiduciary net position as a percentage of the total pension liability	80.94%
Covered-employee payroll	\$ 6,631,156
Employer's net pension liability as a percentage of covered-employee payroll	75.00%

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

Notes to Required Supplementary Information

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.

(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

April 30, 2016

	<u>2016</u>	<u>2015</u>
TOTAL PENSION LIABILITY		
Service cost	\$ 861,720	\$ 806,170
Interest	2,602,515	2,306,932
Changes of benefit terms	-	-
Differences between expected and actual experience	(277,976)	481,935
Changes of assumptions	(744,218)	2,726,115
Benefit payments, including refunds of member contributions	<u>(903,832)</u>	<u>(539,305)</u>
Net change in total pension liability	1,538,209	5,781,847
Total pension liability - beginning	<u>39,007,690</u>	<u>33,225,843</u>
TOTAL PENSION LIABILITY - ENDING	<u>\$ 40,545,899</u>	<u>\$ 39,007,690</u>
PLAN FIDUCIARY NET POSITION		
Contributions - employer	\$ 1,240,000	\$ 1,179,000
Contributions - member	450,578	415,618
Net investment income	(67,703)	1,125,257
Benefit payments, including refunds of member contributions	(903,832)	(539,305)
Administrative expense	<u>(28,723)</u>	<u>(27,754)</u>
Net change in plan fiduciary net position	690,320	2,152,816
Plan fiduciary net position - beginning	<u>21,605,686</u>	<u>19,452,870</u>
PLAN FIDUCIARY NET POSITION - ENDING	<u>\$ 22,296,006</u>	<u>\$ 21,605,686</u>
EMPLOYER'S NET PENSION LIABILITY	<u>\$ 18,249,893</u>	<u>\$ 17,402,004</u>
Plan fiduciary net position as a percentage of the total pension liability	54.99%	55.39%
Covered-employee payroll	\$ 4,077,186	\$ 4,151,265
Employer's net pension liability as a percentage of covered-employee payroll	447.6%	419.2%

Notes to Required Supplementary Information

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.

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

**SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND**

April 30, 2016

	<u>2015</u>	<u>2016</u>
Annual money-weighted rate of return, net of investment expense	5.77%	(0.31)%

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2016

1. BUDGETS

Budgets are adopted on a basis consistent with generally accepted accounting principles. 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. The legal level of budgetary control is at the fund level.

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

2. EXPENDITURES OVER BUDGET OF INDIVIDUAL FUNDS

The following funds had expenditures that exceeded budget:

Fund	Budget	Expenditures
Downtown TIF District Fund	\$ 100,000	\$ 573,002
Building Service Fund	871,000	874,993

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

MAJOR GOVERNMENTAL FUNDS

VILLAGE OF ALGONQUIN, ILLINOIS

COMBINING BALANCE SHEET
MAJOR GOVERNMENTAL FUNDS

April 30, 2016

	Operating	Public Swimming Pool	Special Revenue	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS				
Cash and cash equivalents	\$ 4,447,158	\$ 8,015	\$ 917,638	\$ 5,372,811
Investments	9,014,818	-	388,206	9,403,024
Receivables				
Property tax	5,730,994	-	-	5,730,994
Other taxes	2,427,110	-	6,960	2,434,070
Intergovernmental, grants and contributions	53,180	-	-	53,180
IPBC	8,077	-	-	8,077
Accrued interest	19,969	-	-	19,969
Other	256,743	-	-	256,743
Due from other funds	72,751	-	-	72,751
Advance to other funds	624,149	-	-	624,149
Prepaid items	80,842	1,131	-	81,973
TOTAL ASSETS	\$ 22,735,791	\$ 9,146	\$ 1,312,804	\$ 24,057,741
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 542,035	\$ 429	\$ -	\$ 542,464
Unearned revenue	118,721	8,360	61,512	188,593
Other liabilities	23,830	-	-	23,830
Total liabilities	684,586	8,789	61,512	754,887
DEFERRED INFLOWS OF RESOURCES				
Unavailable property tax revenue	5,730,994	-	-	5,730,994
Total liabilities and deferred inflows of resources	6,415,580	8,789	61,512	6,485,881
FUND BALANCES				
Nonspendable				
Prepays	80,842	1,131	-	81,973
Advances	624,149	-	-	624,149
Restricted				
Donor programs	-	-	395,843	395,843
Unassigned (deficit)	15,615,220	(774)	855,449	16,469,895
Total fund balances	16,320,211	357	1,251,292	17,571,860
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 22,735,791	\$ 9,146	\$ 1,312,804	\$ 24,057,741

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

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

For the Year Ended April 30, 2016

	Operating	Public Swimming Pool	Special Revenue	Eliminations	Total
REVENUES					
Taxes	\$ 5,991,723	\$ -	\$ 45,509	\$ -	\$ 6,037,232
Intergovernmental, grants and contributions	11,864,161	-	129,319	-	11,993,480
Charges for services	259,638	90,426	-	-	350,064
Licenses and permits	823,414	-	-	-	823,414
Fines and forfeits	551,438	-	-	-	551,438
Investment income	94,066	3	2,006	-	96,075
Miscellaneous	841,472	22,912	-	-	864,384
Total revenues	20,425,912	113,341	176,834	-	20,716,087
EXPENDITURES					
Current					
General government	3,948,311	201,029	316,193	-	4,465,533
Public safety	8,864,640	-	-	-	8,864,640
Public works	4,392,191	-	24,251	-	4,416,442
Debt service					
Principal	20,825	-	-	-	20,825
Interest and fiscal charges	3,930	-	-	-	3,930
Capital outlay	489,758	-	-	-	489,758
Total expenditures	17,719,655	201,029	340,444	-	18,261,128
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,706,257	(87,688)	(163,610)	-	2,454,959
OTHER FINANCING SOURCES (USES)					
Transfers in	35,000	87,487	-	(122,487)	-
Transfers (out)	(687,316)	-	(35,000)	122,487	(599,829)
Total other financing sources (uses)	(652,316)	87,487	(35,000)	-	(599,829)
NET CHANGE IN FUND BALANCES	2,053,941	(201)	(198,610)	-	1,855,130
FUND BALANCES, MAY 1	14,390,725	558	1,449,902	-	15,841,185
Prior period adjustment	(124,455)	-	-	-	(124,455)
FUND BALANCES, MAY 1, RESTATED	14,266,270	558	1,449,902	-	15,716,730
FUND BALANCES, APRIL 30	\$ 16,320,211	\$ 357	\$ 1,251,292	\$ -	\$ 17,571,860

(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, 2016

	Original Budget	Final Budget	Actual
TAXES			
Property taxes			
General	\$ 1,071,000	\$ 1,071,000	\$ 1,068,578
Road and bridge	380,000	380,000	395,265
Social Security	653,000	653,000	651,526
Insurance	300,000	300,000	299,323
IMRF	435,000	435,000	434,017
School crossing	19,000	19,000	18,959
Police protection	1,757,000	1,757,000	1,753,028
ESDA	6,000	6,000	5,983
Police pension	1,240,000	1,240,000	1,237,200
Telecommunications tax	150,000	150,000	127,844
Total taxes	<u>6,011,000</u>	<u>6,011,000</u>	<u>5,991,723</u>
LICENSES AND PERMITS			
Liquor licenses	113,000	113,000	117,895
Building permits	370,000	390,000	646,197
Miscellaneous licenses	35,000	35,000	59,322
Total licenses and permits	<u>518,000</u>	<u>538,000</u>	<u>823,414</u>
INTERGOVERNMENTAL, GRANTS AND CONTRIBUTIONS			
Income tax	3,600,000	3,600,000	3,899,246
Sales tax	7,375,000	7,375,000	7,635,490
Personal property replacement tax	56,500	56,500	56,498
Intergovernmental agreements	109,000	109,000	128,447
Grants - operating, public safety, general	-	-	3,334
Contributions	96,000	96,000	141,146
Total intergovernmental, grants and contributions	<u>11,236,500</u>	<u>11,236,500</u>	<u>11,864,161</u>
CHARGES FOR SERVICES			
Building and zoning	7,500	7,500	10,363
Platting fees	2,000	2,000	9,326
Police training reimbursement	1,000	1,000	590
Park usage fees	12,500	12,500	11,738
Recreation programs	213,000	213,000	96,105
Site development fee	1,000	1,000	2,000
Public art impact fee	1,000	1,000	5,616

(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, 2016

	<u>Original Budget</u>	<u>Original Budget</u>	<u>Original Budget</u>
CHARGES FOR SERVICES (Continued)			
Rental income	\$ 51,000	\$ 51,000	\$ 86,450
Outsourced service fees	15,000	15,000	36,826
Historical commission	400	400	360
Subdivision signs	500	500	264
	<hr/>		
Total charges for services	304,900	304,900	259,638
	<hr/>		
FINES AND FORFEITS			
County court and drug fines	222,500	222,500	200,396
County prosecution fines	17,000	17,000	15,014
Police fines	10,000	10,000	5,836
Restitution - court cases	4,000	4,000	21,748
Police accident reports	4,500	4,500	4,297
Reports, maps, and ordinance	1,500	1,500	596
Building permit fines	10,000	10,000	28,601
Towing and storage	35,000	35,000	38,677
Traffic light enforcement	280,000	280,000	150,398
Municipal fines	90,000	90,000	83,654
Maintenance fee	2,000	2,000	2,181
Administrative fees	-	-	40
	<hr/>		
Total fines and forfeits	676,500	676,500	551,438
	<hr/>		
INVESTMENT INCOME	81,000	81,000	94,066
	<hr/>		
MISCELLANEOUS			
Cable TV franchise fees	480,000	480,000	546,474
Other receipts	32,100	175,590	294,998
	<hr/>		
Total miscellaneous	512,100	655,590	841,472
	<hr/>		
TOTAL REVENUES	<u>\$ 19,340,000</u>	<u>\$ 19,503,490</u>	<u>\$ 20,425,912</u>

(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, 2016

	Original Budget	Final Budget	Actual
CURRENT			
General government			
Administration			
Personnel	\$ 1,401,200	\$ 1,397,000	\$ 1,309,442
Commodities	227,700	235,500	218,100
Contractual services	1,002,600	1,033,160	941,881
Other charges	304,200	265,840	116,942
Total administration	2,935,700	2,931,500	2,586,365
Community development			
Personnel	1,229,200	1,229,200	1,199,874
Commodities	29,000	29,000	22,145
Contractual services	138,100	154,100	128,552
Other charges	20,150	24,150	11,375
Total community development	1,416,450	1,436,450	1,361,946
Total general government	4,352,150	4,367,950	3,948,311
Public safety			
Police department			
Personnel	6,390,600	6,293,865	5,873,603
Commodities	331,600	427,900	368,022
Contractual services	1,284,850	1,285,285	1,299,448
Other charges	1,342,585	1,342,465	1,323,567
Total public safety	9,349,635	9,349,515	8,864,640
Public works			
Public works administration			
Personnel	337,800	337,800	326,983
Commodities	28,200	25,000	23,505
Contractual services	58,725	62,425	75,874
Other charges	18,650	22,350	20,418
Total public works administration	443,375	447,575	446,780

(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, 2016

	Original Budget	Final Budget	Actual
CURRENT (Continued)			
Public works (Continued)			
Streets department			
Personnel	\$ 2,385,200	\$ 2,385,200	\$ 2,246,472
Commodities	415,300	414,200	248,801
Contractual services	1,465,700	1,467,300	1,419,648
Other charges	33,200	32,700	30,490
	<hr/>	<hr/>	<hr/>
Total streets department	4,299,400	4,299,400	3,945,411
	<hr/>	<hr/>	<hr/>
Total public works	4,742,775	4,746,975	4,392,191
	<hr/>	<hr/>	<hr/>
Debt service			
Principal	24,000	20,825	20,825
Interest and fiscal charges	815	4,110	3,930
	<hr/>	<hr/>	<hr/>
Total debt service	24,815	24,935	24,755
	<hr/>	<hr/>	<hr/>
Capital outlay			
General government	74,400	217,890	195,944
Public works	260,000	260,000	251,917
Public safety	83,850	83,850	41,897
	<hr/>	<hr/>	<hr/>
Total capital outlay	418,250	561,740	489,758
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	\$ 18,887,625	\$ 19,051,115	\$ 17,719,655

(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, 2016

	Original Budget	Final Budget	Actual
REVENUES			
Charges for services			
Swimming pool fees	\$ 39,000	\$ 39,000	\$ 31,325
Swimming daily fees	25,000	25,000	30,144
Swimming lessons	23,000	23,000	20,301
Concessions	8,000	8,000	8,656
Investment income	-	-	3
Miscellaneous	24,000	24,000	22,912
 Total revenues	 119,000	 119,000	 113,341
EXPENDITURES			
General government			
Personnel	87,000	87,000	80,125
Commodities	7,100	7,100	6,070
Contractual services	165,000	165,000	111,486
Other	4,600	4,600	3,348
 Total expenditures	 263,700	 263,700	 201,029
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 (144,700)	 (144,700)	 (87,688)
OTHER FINANCING SOURCES (USES)			
Transfers in	144,700	144,700	87,487
 Total other financing sources (uses)	 144,700	 144,700	 87,487
 NET CHANGE IN FUND BALANCE	 \$ -	 \$ -	 (201)
 FUND BALANCE, MAY 1			558
 FUND BALANCE, APRIL 30			\$ 357

(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, 2016

	Original Budget	Final Budget	Actual
CURRENT			
General government			
Personnel			
Salary of pool employees	\$ 80,100	\$ 80,100	\$ 73,916
FICA	6,200	6,200	5,655
SUI	700	700	554
Total personnel	<u>87,000</u>	<u>87,000</u>	<u>80,125</u>
Commodities			
Office supplies	1,050	1,050	987
Concessions	5,200	5,200	4,491
Small tools and equipment	850	850	592
Total commodities	<u>7,100</u>	<u>7,100</u>	<u>6,070</u>
Contractual services			
Telephone	200	200	185
Gas - heat	3,500	3,500	2,041
Electricity	5,500	6,200	5,923
Water	4,100	4,100	4,067
Professional services	4,000	3,300	900
Maintenance	105,500	105,500	91,817
Insurance	6,200	6,200	6,553
Maintenance - outsourced building	36,000	36,000	-
Total contractual services	<u>165,000</u>	<u>165,000</u>	<u>111,486</u>
Other			
Travel, training, dues	1,475	1,475	715
Recreation programs	1,300	1,300	947
Uniforms and safety items	1,825	1,825	1,686
Total other	<u>4,600</u>	<u>4,600</u>	<u>3,348</u>
TOTAL EXPENDITURES	<u><u>\$ 263,700</u></u>	<u><u>\$ 263,700</u></u>	<u><u>\$ 201,029</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, 2016

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Hotel	\$ 50,000	\$ 50,000	\$ 45,509
Intergovernmental, grants and contributions	90,000	90,000	129,319
Investment income	3,700	3,700	2,006
Total revenues	143,700	143,700	176,834
EXPENDITURES			
General government			
Regional marketing	103,000	103,000	316,193
Public works			
Contractual services - snow removal	20,000	26,000	24,251
Total expenditures	123,000	129,000	340,444
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	20,700	14,700	(163,610)
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	<u>\$ (14,300)</u>	<u>\$ (20,300)</u>	(198,610)
FUND BALANCE, MAY 1			<u>1,449,902</u>
FUND BALANCE, APRIL 30			<u><u>\$ 1,251,292</u></u>

(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, 2016

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Home rule sales tax	\$ 4,000,000	\$ 4,000,000	\$ 4,120,849
Utility taxes	950,000	950,000	899,377
Telecommunication taxes	400,000	400,000	339,047
Investment income	10,000	10,000	16,554
Total revenues	5,360,000	5,360,000	5,375,827
EXPENDITURES			
Public works			
Contractual services			
Legal services	7,000	7,000	6,918
Engineering services	1,290,000	1,521,150	876,375
Infrastructure maintenance	298,000	451,850	398,480
Capital outlay	3,168,000	3,808,000	1,166,127
Total expenditures	4,763,000	5,788,000	2,447,900
NET CHANGE IN FUND BALANCE	\$ 597,000	\$ (428,000)	2,927,927
FUND BALANCE, MAY 1			7,150,408
Prior period adjustment			1,228,593
FUND BALANCE, MAY 1, RESTATED			8,379,001
FUND BALANCE, APRIL 30			\$ 11,306,928

(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.

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

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, 2016

	Special Revenue	Debt Service	Capital Projects	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS				
Cash and cash equivalents	\$ 3,537,046	\$ 1,680	\$ 128,306	\$ 3,667,032
Investments	114,849	604,310	10,443	729,602
Receivables				
Property tax	145,481	-	-	145,481
Other taxes	107,016	-	-	107,016
Intergovernmental, grants and contributions	320,001	-	-	320,001
Prepaid items	135	-	-	135
Total assets	4,224,528	605,990	138,749	4,969,267
DEFERRED OUTFLOWS OF RESOURCES				
None	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 4,224,528	\$ 605,990	\$ 138,749	\$ 4,969,267
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 77,203	\$ -	\$ -	\$ 77,203
Advances from other funds	852,469	-	-	852,469
Total liabilities	929,672	-	-	929,672
DEFERRED INFLOWS OF RESOURCES				
Unavailable property tax revenue	145,481	-	-	145,481
Total liabilities and deferred inflows of resources	1,075,153	-	-	1,075,153
FUND BALANCES				
Nonspendable				
Prepays	135	-	-	135
Restricted				
Street maintenance	2,462,412	-	-	2,462,412
Capital projects	351,075	-	-	351,075
Cemetery	300,964	-	-	300,964
Assigned				
Capital projects	869,738	-	138,749	1,008,487
Debt service	-	605,990	-	605,990
Unassigned (deficit)	(834,949)	-	-	(834,949)
Total fund balances	3,149,375	605,990	138,749	3,894,114
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 4,224,528	\$ 605,990	\$ 138,749	\$ 4,969,267

(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, 2016

	Special Revenue	Debt Service	Capital Projects	Total
REVENUES				
Taxes	\$ 374,262	\$ -	\$ -	\$ 374,262
Intergovernmental, grants and contributions	809,394	-	6,400	815,794
Charges for services	428,506	-	-	428,506
Investment income	3,927	3,216	75	7,218
Miscellaneous	21,386	-	-	21,386
Total revenues	1,637,475	3,216	6,475	1,647,166
EXPENDITURES				
Current				
General government	275,378	-	-	275,378
Public works	508,899	-	-	508,899
Capital outlay	413,869	-	14,773	428,642
Debt service				
Principal	-	545,000	-	545,000
Interest and fiscal charges	-	64,110	-	64,110
Total expenditures	1,198,146	609,110	14,773	1,822,029
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	439,329	(605,894)	(8,298)	(174,863)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	599,829	-	599,829
Total other financing sources (uses)	-	599,829	-	599,829
NET CHANGE IN FUND BALANCES	439,329	(6,065)	(8,298)	424,966
FUND BALANCES, MAY 1	2,525,046	612,055	147,047	3,284,148
Prior period adjustment	185,000	-	-	185,000
FUND BALANCES, MAY 1, RESTATED	2,710,046	612,055	147,047	3,469,148
FUND BALANCES, APRIL 30	\$ 3,149,375	\$ 605,990	\$ 138,749	\$ 3,894,114

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

April 30, 2016

	Special Revenue				Total
	Motor Fuel Tax	Parks	Cemetery	Downtown TIF District	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
ASSETS					
Cash and cash equivalents	\$ 2,384,980	\$ 948,431	\$ 186,115	\$ 17,520	\$ 3,537,046
Investments	-	-	114,849	-	114,849
Receivables					
Property tax	-	-	-	145,481	145,481
Other taxes	-	107,016	-	-	107,016
Intergovernmental, grants and contributions	135,001	185,000	-	-	320,001
Prepaid items	-	-	135	-	135
TOTAL ASSETS	\$ 2,519,981	\$ 1,240,447	\$ 301,099	\$ 163,001	\$ 4,224,528
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 57,569	\$ 19,634	\$ -	\$ -	\$ 77,203
Advances from other funds	-	-	-	852,469	852,469
Total liabilities	57,569	19,634	-	852,469	929,672
DEFERRED INFLOWS OF RESOURCES					
Unavailable property tax revenue	-	-	-	145,481	145,481
Total liabilities and deferred inflows of resources	57,569	19,634	-	997,950	1,075,153
FUND BALANCES					
Nonspendable					
Prepays	-	-	135	-	135
Restricted					
Street maintenance	2,462,412	-	-	-	2,462,412
Capital projects	-	351,075	-	-	351,075
Cemetery	-	-	300,964	-	300,964
Assigned					
Capital projects	-	869,738	-	-	869,738
Unassigned (deficit)	-	-	-	(834,949)	(834,949)
Total fund balances	2,462,412	1,220,813	301,099	(834,949)	3,149,375
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 2,519,981	\$ 1,240,447	\$ 301,099	\$ 163,001	\$ 4,224,528

(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, 2016

	Special Revenue				Total
	Motor Fuel Tax	Parks	Cemetery	Downtown TIF District	
REVENUES					
Taxes	\$ -	\$ 356,747	\$ -	\$ 17,515	\$ 374,262
Intergovernmental, grants and contributions	809,394	-	-	-	809,394
Charges for services	-	419,381	9,125	-	428,506
Investment income	2,748	628	546	5	3,927
Miscellaneous	-	-	21,386	-	21,386
Total revenues	812,142	776,756	31,057	17,520	1,637,475
EXPENDITURES					
Current					
General government	-	-	28,013	247,365	275,378
Public works	470,901	37,998	-	-	508,899
Capital outlay	57,924	30,308	-	325,637	413,869
Total expenditures	528,825	68,306	28,013	573,002	1,198,146
NET CHANGE IN FUND BALANCES	283,317	708,450	3,044	(555,482)	439,329
FUND BALANCES (DEFICIT), MAY 1	2,179,095	327,363	298,055	(279,467)	2,525,046
Prior period adjustment	-	185,000	-	-	185,000
FUND BALANCES (DEFICIT), MAY 1, RESTATED	2,179,095	512,363	298,055	(279,467)	2,710,046
FUND BALANCES (DEFICIT), APRIL 30	\$ 2,462,412	\$ 1,220,813	\$ 301,099	\$ (834,949)	\$ 3,149,375

(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, 2016

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental, grants and contributions			
Motor fuel tax allotments	\$ 765,000	\$ 765,000	\$ 809,394
Investment income	250	250	2,748
	<hr/>		
Total revenues	765,250	765,250	812,142
	<hr/>		
EXPENDITURES			
Public works			
Materials	448,000	448,000	302,752
Engineering services	246,000	194,000	168,149
Maintenance	875,000	940,000	-
Capital outlay	160,000	160,000	57,924
	<hr/>		
Total expenditures	1,729,000	1,742,000	528,825
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ (963,750)</u>	<u>\$ (976,750)</u>	283,317
FUND BALANCE, MAY 1			<u>2,179,095</u>
FUND BALANCE, APRIL 30			<u>\$ 2,462,412</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, 2016

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Video gaming	\$ 50,000	\$ 50,000	\$ 96,068
Telecommunications tax	270,000	270,000	260,679
Charges for services	-	-	419,381
Investment income	100	100	628
	<hr/>		
Total revenues	320,100	320,100	776,756
	<hr/>		
EXPENDITURES			
Public works			
Wetland mitigation	8,000	18,000	17,198
Ecosystem maintenance	26,000	26,000	20,800
Capital outlay	150,000	150,000	30,308
	<hr/>		
Total expenditures	184,000	194,000	68,306
	<hr/>		
NET CHANGE IN FUND BALANCE	\$ 136,100	\$ 126,100	708,450
	<hr/>		
FUND BALANCE, MAY 1			327,363
Prior period adjustment			185,000
			<hr/>
FUND BALANCE, MAY 1, RESTATED			512,363
			<hr/>
FUND BALANCE, APRIL 30			\$ 1,220,813
			<hr/>

(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, 2016

	Original Budget	Final Budget	Actual
REVENUES			
Charges for services			
Opening graves and closing crypts	\$ 10,000	\$ 10,000	\$ 6,225
Perpetual care	1,500	1,500	500
Sale of lots	3,500	3,500	2,400
Investment income	700	700	546
Miscellaneous	21,300	21,300	21,386
	<hr/>		
Total revenues	37,000	37,000	31,057
	<hr/>		
EXPENDITURES			
General government			
Supplies	1,650	1,250	-
Professional services	20,700	21,100	21,100
Grave openings	8,000	8,000	6,000
Insurance	1,200	1,200	913
	<hr/>		
Total expenditures	31,550	31,550	28,013
	<hr/>		
NET CHANGE IN FUND BALANCE	\$ 5,450	\$ 5,450	3,044
	<hr/>		
FUND BALANCE, MAY 1			298,055
	<hr/>		
FUND BALANCE, APRIL 30			\$ 301,099
	<hr/>		

(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, 2016

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	\$ 10,000	\$ 10,000	\$ 17,515
Investment income	-	-	5
Total revenues	10,000	10,000	17,520
EXPENDITURES			
General government			
Legal services	15,000	15,000	13,472
Professional services	45,000	45,000	-
Engineering services	40,000	40,000	207,411
Postage	-	-	23
Infrastructure maintenance	-	-	20,909
Economic development	-	-	5,550
Capital outlay	-	-	325,637
Total expenditures	100,000	100,000	573,002
NET CHANGE IN FUND BALANCE	\$ (90,000)	\$ (90,000)	(555,482)
FUND BALANCE (DEFICIT), MAY 1			(279,467)
FUND BALANCE (DEFICIT), APRIL 30			\$ (834,949)

(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, 2016

	Original Budget	Final Budget	Actual
REVENUES			
Investment income	\$ 4,000	\$ 4,000	\$ 3,216
Total revenues	4,000	4,000	3,216
EXPENDITURES			
Current			
Debt service			
Principal	545,000	545,000	545,000
Interest and fiscal charges	66,000	66,000	64,110
Total expenditures	611,000	611,000	609,110
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(607,000)	(607,000)	(605,894)
OTHER FINANCING SOURCES (USES)			
Transfers in	602,675	602,675	599,829
NET CHANGE IN FUND BALANCE	\$ (4,325)	\$ (4,325)	(6,065)
FUND BALANCE, MAY 1			612,055
FUND BALANCE, APRIL 30			\$ 605,990

(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, 2016

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental, grants and contributions	\$ 2,000	\$ 2,000	\$ 6,400
Investment income	100	100	75
Total revenues	<u>2,100</u>	<u>2,100</u>	<u>6,475</u>
EXPENDITURES			
Capital outlay	<u>15,000</u>	<u>15,000</u>	<u>14,773</u>
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>14,773</u>
NET CHANGE IN FUND BALANCE	<u>\$ (12,900)</u>	<u>\$ (12,900)</u>	(8,298)
FUND BALANCE, MAY 1			<u>147,047</u>
FUND BALANCE, APRIL 30			<u><u>\$ 138,749</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, 2016

	Operations and Maintenance	Improvements and Extension	Total
CURRENT ASSETS			
Cash and cash equivalents	\$ 3,637,708	\$ 3,487,154	\$ 7,124,862
Investments	658,730	3,191,213	3,849,943
Receivables			
Accounts	801,263	2,301	803,564
Other	11,983	758,392	770,375
Prepaid expenses	25,343	-	25,343
Restricted assets - investments	806,625	-	806,625
Total current assets	5,941,652	7,439,060	13,380,712
NONCURRENT ASSETS			
Advances to other funds	-	15,389	15,389
Capital assets			
Nondepreciable	3,716,142	-	3,716,142
Depreciable, net of accumulated depreciation	52,948,007	-	52,948,007
Net capital assets	56,664,149	-	56,664,149
Total noncurrent assets	56,664,149	15,389	56,679,538
Total assets	62,605,801	7,454,449	70,060,250
DEFERRED OUTFLOWS OF RESOURCES			
Pension items - IMRF	390,846	-	390,846
Deferred loss on refunding	148,334	-	148,334
Total deferred outflows of resources	539,180	-	539,180
Total assets and deferred outflows of resources	63,144,981	7,454,449	70,599,430

(This statement is continued on the following page.)

VILLAGE OF ALGONQUIN, ILLINOIS

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

April 30, 2016

	Operations and Maintenance	Improvements and Extension	Total
CURRENT LIABILITIES			
Accounts payable	\$ 294,222	\$ 239,946	\$ 534,168
Accrued interest	16,386	-	16,386
Compensated absences payable - current	139,783	-	139,783
Bonds payable - current	610,000	-	610,000
Total current liabilities	1,060,391	239,946	1,300,337
LONG-TERM LIABILITIES			
Compensated absences payable - long-term	92,203	-	92,203
IMRF net pension liability	1,335,688	-	1,335,688
Bonds payable - long-term	6,123,642	-	6,123,642
Total long-term liabilities	7,551,533	-	7,551,533
DEFERRED INFLOWS OF RESOURCES			
Pension items - IMRF	36,974	-	36,974
Total liabilities and deferred inflows of resources	8,648,898	239,946	8,888,844
NET POSITION			
Net investment in capital assets	49,930,507	-	49,930,507
Restricted for debt service	806,625	-	806,625
Unrestricted	3,758,951	7,214,503	10,973,454
TOTAL NET POSITION	\$ 54,496,083	\$ 7,214,503	\$ 61,710,586

(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, 2016

	Operations and Maintenance	Improvements and Extension	Total
OPERATING REVENUES			
Charges for services			
Water and sewer revenue	\$ 5,612,753	\$ -	\$ 5,612,753
Meter sales	37,966	-	37,966
Connection fees	-	1,177,596	1,177,596
Administration fee	80,838	-	80,838
Miscellaneous	80,427	-	80,427
 Total operating revenues	 5,811,984	 1,177,596	 6,989,580
OPERATING EXPENSES			
Water operations	2,839,928	-	2,839,928
Sewer operations	2,691,258	-	2,691,258
Non departmental	-	267,304	267,304
Depreciation	3,513,150	-	3,513,150
 Total operating expenses	 9,044,336	 267,304	 9,311,640
 OPERATING INCOME (LOSS)	 (3,232,352)	 910,292	 (2,322,060)
NON-OPERATING REVENUES (EXPENSES)			
Investment income	10,894	13,657	24,551
Interest expense and fiscal agent fees	(203,163)	-	(203,163)
 Total non-operating revenues (expenses)	 (192,269)	 13,657	 (178,612)
 INCOME (LOSS) BEFORE TRANSFERS	 (3,424,621)	 923,949	 (2,500,672)
TRANSFERS			
Transfers in	183,479	-	183,479
Transfers (out)	-	(183,479)	(183,479)
 Total transfers	 183,479	 (183,479)	 -
 CHANGE IN NET POSITION	 (3,241,142)	 740,470	 (2,500,672)
 NET POSITION, MAY 1	 58,536,910	 6,474,033	 65,010,943
Change in accounting principle	(799,685)	-	(799,685)
 NET POSITION, MAY 1, RESTATED	 57,737,225	 6,474,033	 64,211,258
 NET POSITION, APRIL 30	 \$ 54,496,083	 \$ 7,214,503	 \$ 61,710,586

(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, 2016

	Original Budget	Final Budget	Actual
WATER DEPARTMENT			
Personnel			
IMRF	\$ 130,000	\$ 130,000	\$ 119,270
FICA	85,000	85,000	78,508
Unemployment tax	1,500	1,500	1,629
Health insurance	225,000	225,000	195,276
Salaries	1,065,000	1,065,000	1,048,704
Overtime	32,000	32,000	29,213
Commodities			
Meters	70,000	70,000	68,021
Office supplies	700	700	482
Materials	20,800	20,800	10,264
Chemicals	199,100	199,100	154,462
Postage	25,000	25,000	26,169
Small tools and equipment	28,800	28,800	24,924
Fuel	28,000	28,000	16,447
Lab supplies	11,400	11,400	11,116
Office furniture and equipment	43,600	43,600	43,822
Vehicles and equipment	72,000	72,000	65,661
Contractual services			
Utilities	336,275	336,275	271,008
Legal services	4,000	4,000	144
Audit services	6,500	6,500	5,345
Engineering services	42,500	40,400	33,320
Professional services	124,200	124,200	115,911
Insurance	82,000	82,000	77,101
Interest	50	50	-
Publications	1,100	1,100	712
Printing	3,550	3,550	2,847
Equipment rental	3,800	3,800	202
Equipment lease	325	325	-
Physical exams	1,000	1,000	393
Travel, training, dues	10,300	10,300	7,691
Bank processing fees	19,000	19,000	19,524
Uniforms	7,100	8,900	7,358
Maintenance			
Wells	51,800	83,300	82,923
Booster station	26,500	21,500	21,059
Maintenance storage facility	20,200	18,700	15,070
Treatment facility	25,400	37,500	36,594
Distribution system	46,350	36,350	14,325
Vehicle maintenance	28,500	28,500	54,393
Building maintenance	84,000	84,000	88,616
Maintenance - other	350	350	350
Equipment maintenance	50,000	50,000	(8,145)
Total water department	3,012,700	3,039,500	2,740,709

(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, 2016

	Original Budget	Final Budget	Actual
SEWER DEPARTMENT			
Personnel			
IMRF	\$ 112,000	\$ 112,000	\$ 103,504
FICA	74,000	74,000	68,129
Unemployment tax	1,400	1,400	1,412
Health insurance	170,000	170,000	153,589
Salaries	928,000	928,000	905,867
Overtime	20,000	20,000	21,694
Commodities			
Meters	70,000	70,000	69,112
Office supplies	700	700	456
Materials	22,000	22,000	3,123
Chemicals	73,000	69,700	45,598
Postage	25,000	25,000	26,174
Small tools and equipment	33,225	33,225	32,977
Fuel	28,000	28,000	10,881
Lab supplies	7,000	7,000	5,596
Office furniture and equipment	51,900	59,700	55,397
Contractual services			
Utilities	407,350	407,350	325,748
Legal services	4,000	4,000	144
Audit services	6,500	6,500	5,345
Engineering services	31,500	31,500	19,822
Professional services	111,150	111,150	87,876
Insurance	86,000	86,000	75,790
Publications	1,100	1,100	573
Printing	1,050	1,050	285
Equipment rental	1,000	1,000	-
Equipment lease	325	325	-
Physical exams	1,000	1,000	503
Sludge removal	217,200	182,200	136,920
Travel, training, dues	8,950	8,950	5,694
Bank processing fees	19,000	19,000	19,524
Uniforms	8,500	10,000	7,670
Maintenance			
Treatment facility	119,850	193,015	182,918
Lift station	95,350	95,350	68,643
Collection station	12,300	12,300	4,915
Vehicle maintenance	29,500	29,500	17,985
Building maintenance	89,000	89,000	112,659
Equipment maintenance	57,000	57,000	28,409
Other	600	600	600
 Total sewer department	 2,924,450	 2,968,615	 2,605,532

(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, 2016

	Original Budget	Final Budget	Actual
NONDEPARTMENTAL			
Contractual services			
Legal services	\$ 24,000	\$ 24,000	\$ 1,331
Engineering services	177,000	221,708	32,537
Infrastructure maintenance	350,000	291,792	154,988
	<hr/>	<hr/>	<hr/>
Total nondepartmental	551,000	537,500	188,856
	<hr/>	<hr/>	<hr/>
TOTAL WATER AND SEWER OPERATIONS	\$ 6,488,150	\$ 6,545,615	\$ 5,535,097
	<hr/>	<hr/>	<hr/>
ADJUSTMENTS TO GAAP BASIS			
WATER DEPARTMENT			
Pension expense	\$ -	\$ -	\$ 97,813
Capital outlay	-	-	1,406
Less capitalized amounts	-	-	-
	<hr/>	<hr/>	<hr/>
Total water department	-	-	99,219
	<hr/>	<hr/>	<hr/>
SEWER DEPARTMENT			
Pension expense	-	-	84,320
Capital outlay	-	-	1,406
Less capitalized amounts	-	-	-
	<hr/>	<hr/>	<hr/>
Total sewer department	-	-	85,726
	<hr/>	<hr/>	<hr/>
NONDEPARTMENTAL			
Capital outlay	1,042,000	1,055,500	78,448
Less capitalized amounts	-	-	-
	<hr/>	<hr/>	<hr/>
Total nondepartmental	1,042,000	1,055,500	78,448
	<hr/>	<hr/>	<hr/>
Depreciation	-	-	3,513,150
	<hr/>	<hr/>	<hr/>
TOTAL WATER AND SEWER OPERATIONS - GAAP BASIS	\$ 7,530,150	\$ 7,601,115	\$ 9,311,640
	<hr/>	<hr/>	<hr/>

(See independent auditor's report.)

INTERNAL SERVICE FUNDS

VILLAGE OF ALGONQUIN, ILLINOIS

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS

April 30, 2016

	Building Service Fund	Vehicle Maintenance Fund	Total
CURRENT ASSETS			
Cash and investments	\$ -	\$ -	\$ -
Receivables			
Accounts	-	22,835	22,835
Inventory	49,382	95,870	145,252
Total current assets	49,382	118,705	168,087
CAPITAL ASSETS			
Depreciable, net of accumulated depreciation	30,863	82,600	113,463
Net capital assets	30,863	82,600	113,463
Total assets	80,245	201,305	281,550
CURRENT LIABILITIES			
Accounts payable	20,907	56,457	77,364
Due to other funds	22,302	50,449	72,751
Total current liabilities	43,209	106,906	150,115
NET POSITION			
Net investment in capital assets	30,863	82,600	113,463
Unrestricted	6,173	11,799	17,972
TOTAL NET POSITION	\$ 37,036	\$ 94,399	\$ 131,435

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

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

For the Year Ended April 30, 2016

	Building Service Fund	Vehicle Maintenance Fund	Total
OPERATING REVENUES			
Charges for services			
Maintenance billings	\$ 917,937	\$ 749,933	\$ 1,667,870
Fire district fuel	-	35,567	35,567
Fuel billings	-	166,907	166,907
Fleet maintenance	-	105,220	105,220
Miscellaneous	265	133	398
Total operating revenues	918,202	1,057,760	1,975,962
OPERATING EXPENSES			
Personnel	415,787	348,512	764,299
Contractual services	17,645	16,595	34,240
Supplies and materials	140,165	530,003	670,168
Maintenance	294,869	134,695	429,564
Other charges	6,527	9,920	16,447
Depreciation	6,173	11,800	17,973
Total operating expenses	881,166	1,051,525	1,932,691
OPERATING INCOME	37,036	6,235	43,271
NON-OPERATING REVENUES (EXPENSES)			
None	-	-	-
Total non-operating revenues (expenses)	-	-	-
CHANGE IN NET POSITION	37,036	6,235	43,271
NET POSITION, MAY 1	-	88,164	88,164
NET POSITION, APRIL 30	\$ 37,036	\$ 94,399	\$ 131,435

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

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

For the Year Ended April 30, 2016

	Building Service Fund	Vehicle Maintenance Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ -	\$ 301,297	\$ 301,297
Cash received for interfund services provided	878,942	749,933	1,628,875
Payments to suppliers	(439,053)	(739,602)	(1,178,655)
Payments to employees	(415,787)	(348,512)	(764,299)
Net cash from operating activities	24,102	(36,884)	(12,782)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Interfund transactions	(24,102)	36,884	12,782
Net cash from noncapital financing activities	(24,102)	36,884	12,782
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	-	-	-
CASH AND CASH EQUIVALENTS, MAY 1	-	-	-
CASH AND CASH EQUIVALENTS, APRIL 30	\$ -	\$ -	\$ -

(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, 2016

	Building Service Fund	Vehicle Maintenance Fund	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 37,036	\$ 6,235	\$ 43,271
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation	6,173	11,800	17,973
Increase (decrease) in			
Accounts receivable	1,046	(6,530)	(5,484)
Inventory	(4,117)	(52)	(4,169)
Accounts payable	(16,036)	(48,337)	(64,373)
	<u>(12,934)</u>	<u>(43,119)</u>	<u>(56,053)</u>
Total adjustments			
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 24,102</u>	<u>\$ (36,884)</u>	<u>\$ (12,782)</u>

(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, 2016

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Maintenance billings	\$ 871,000	\$ 871,000	\$ 917,937
Miscellaneous	-	-	265
			<hr/>
Total operating revenues	871,000	871,000	918,202
			<hr/>
OPERATING EXPENSES			
Personnel	450,500	450,500	415,787
Contractual services	20,150	20,450	17,645
Supplies and materials	156,750	156,450	140,165
Maintenance	234,400	234,400	294,869
Other charges	9,200	9,200	6,527
			<hr/>
Total operating expenses	871,000	871,000	874,993
			<hr/>
CHANGE IN NET POSITION (BUDGETARY BASIS)	\$ -	\$ -	43,209
			<hr/>
ADJUSTMENTS TO GAAP BASIS			
Depreciation			6,173
			<hr/>
Total adjustments to GAAP basis			6,173
			<hr/>
CHANGE IN NET POSITION (GAAP BASIS)			37,036
			<hr/>
NET POSITION, MAY 1			-
			<hr/>
NET POSITION, APRIL 30			\$ 37,036

(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, 2016

	Original Budget	Final Budget	Actual
OPERATING EXPENSES			
Personnel			
IMRF	\$ 38,500	\$ 38,500	\$ 34,217
FICA	25,000	25,000	22,614
SUI	500	500	441
Health Insurance	61,500	61,500	52,003
Salaries	309,000	309,000	295,803
Overtime	16,000	16,000	10,709
Total personnel	450,500	450,500	415,787
Contractual services			
Telephone	4,900	4,900	4,256
Natural gas	1,200	1,200	-
Physical exams	200	200	165
Printing and advertising	400	400	58
Professional services	12,700	13,000	12,916
Publications	250	250	250
Equipment rental	500	500	-
Total contractual services	20,150	20,450	17,645
Supplies and materials			
Office supplies	300	300	203
Postage	50	50	-
Building supplies	130,200	130,200	120,542
Tools, equipment, and supplies	15,100	14,800	12,744
Fuel	5,900	5,900	2,101
Office furniture and equipment	5,200	5,200	4,575
Total supplies and materials	156,750	156,450	140,165
Maintenance			
Vehicle maintenance	8,000	8,000	5,724
Equipment maintenance	2,000	2,000	789
Outsourced building maintenance	223,885	223,885	287,842
Office equipment maintenance	515	515	514
Total maintenance	234,400	234,400	294,869
Other charges			
Travel, training, and dues	5,430	5,430	3,021
Uniforms and safety items	3,770	3,770	3,506
Total other charges	9,200	9,200	6,527
TOTAL OPERATING EXPENSES	\$ 871,000	\$ 871,000	\$ 874,993

(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, 2016

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Maintenance billings	\$ 822,500	\$ 822,500	\$ 749,933
Fire district fuel	75,000	75,000	35,567
Fuel billings	325,000	325,000	166,907
Fleet maintenance	120,000	120,000	105,220
Miscellaneous	-	-	133
	<hr/>		
Total operating revenues	1,342,500	1,342,500	1,057,760
OPERATING EXPENSES			
Personnel	361,500	361,500	348,512
Contractual services	28,900	28,100	16,595
Supplies and materials	806,100	806,100	530,003
Maintenance	132,050	132,050	134,695
Other charges	13,950	14,750	9,920
	<hr/>		
Total operating expenses	1,342,500	1,342,500	1,039,725
CHANGE IN NET POSITION (BUDGETARY BASIS)	\$ -	\$ -	18,035
ADJUSTMENTS TO GAAP BASIS			
Depreciation			11,800
	<hr/>		
Total adjustments to GAAP basis			11,800
CHANGE IN NET POSITION (GAAP BASIS)			6,235
NET POSITION, MAY 1			88,164
	<hr/>		
NET POSITION, APRIL 30			\$ 94,399
	<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, 2016

	Original Budget	Final Budget	Actual
OPERATING EXPENSES			
Personnel			
IMRF	\$ 30,500	\$ 30,500	\$ 27,494
FICA	20,000	20,000	18,544
SUI	500	500	480
Health insurance	50,500	50,500	49,024
Salaries	250,000	250,000	249,246
Overtime	10,000	10,000	3,724
Total personnel	361,500	361,500	348,512
Contractual services			
Telephone	4,150	4,150	4,601
Natural gas	1,400	1,400	323
Professional services	12,330	12,330	5,846
Publications	7,700	6,900	4,426
Printing and advertising	420	420	72
Physical exams	200	200	75
Equipment rental	2,700	2,700	1,252
Total contractual services	28,900	28,100	16,595
Supplies and materials			
Office supplies	1,600	1,600	1,476
Postage	100	100	9
Tools, equipment, and supplies	17,800	17,800	14,141
Fuel	404,000	404,000	204,760
Oil, lubricants, and fluids	382,600	382,600	309,617
Total supplies and materials	806,100	806,100	530,003
Maintenance			
Vehicle maintenance	7,500	7,500	4,250
Equipment maintenance	5,500	5,500	-
Building maintenance	48,500	48,500	58,771
Outsourced vehicle and equipment maintenance	550	550	515
Office equipment maintenance	70,000	70,000	71,159
Total maintenance	132,050	132,050	134,695
Other charges			
Travel, training, and dues	8,230	7,430	3,683
Uniforms and safety items	5,720	7,320	6,237
Total other charges	13,950	14,750	9,920
TOTAL OPERATING EXPENSES	\$ 1,342,500	\$ 1,342,500	\$ 1,039,725

(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, 2016

	Original Budget	Final Budget	Actual
ADDITIONS			
Contributions			
Employer	\$ 1,240,000	\$ 1,240,000	\$ 1,240,000
Employee	431,000	431,000	450,578
Total contributions	1,671,000	1,671,000	1,690,578
Investment income			
Net depreciation in fair value of investments	-	-	(486,830)
Interest	1,420,530	1,420,530	500,835
Total investment income	1,420,530	1,420,530	14,005
Less investment expense	(80,000)	(80,000)	(81,708)
Net investment income	1,340,530	1,340,530	(67,703)
Total additions	3,011,530	3,011,530	1,622,875
DEDUCTIONS			
Pension benefits	957,000	957,000	903,832
Administrative expenses	38,000	38,000	28,723
Total deductions	995,000	995,000	932,555
Change in net position	\$ 2,016,530	\$ 2,016,530	690,320
NET POSITION RESTRICTED FOR PENSIONS			
May 1			21,605,685
April 30			\$ 22,296,005

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
DEVELOPER DEPOSITS FUND**

For the Year Ended April 30, 2016

	Balances			Balances
	May 1	Additions	Deductions	April 30
ASSETS				
Cash and cash equivalents	\$ 381,563	\$ 228,181	\$ 359,461	\$ 250,283
TOTAL ASSETS	\$ 381,563	\$ 228,181	\$ 359,461	\$ 250,283
LIABILITIES				
Deposits	\$ 381,563	\$ 228,181	\$ 359,461	\$ 250,283
TOTAL LIABILITIES	\$ 381,563	\$ 228,181	\$ 359,461	\$ 250,283

(See independent auditor's report.)

SUPPLEMENTAL SCHEDULES

VILLAGE OF ALGONQUIN, ILLINOIS

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

April 30, 2016

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 Interest	April 1		Total
		Principal	Interest	
2017	\$ 98,313	\$ 610,000	\$ 98,313	\$ 806,626
2018	89,163	630,000	89,163	808,326
2019	79,713	665,000	79,713	824,426
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>\$ 521,292</u>	<u>\$ 6,485,000</u>	<u>\$ 521,292</u>	<u>\$ 7,527,584</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, 2016

Date of Issue January 21, 2014
Date of Maturity April 1, 2020
Interest Rate 2.0% to 2.5%
Interest Dates October 1 and April 1
Payable at BNY Midwest Trust Company

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	October 1 Interest	April 1		Total
		Principal	Interest	
2017	\$ 26,338	\$ 550,000	\$ 26,338	\$ 602,676
2018	20,838	565,000	20,838	606,676
2019	15,188	600,000	15,188	630,376
2020	7,688	615,000	7,688	630,376
	<u>\$ 70,052</u>	<u>\$ 2,330,000</u>	<u>\$ 70,052</u>	<u>\$ 2,470,104</u>

(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.	103-112
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	113-118
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.	119-123
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.	124-125
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.	126-128

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	2007	2008	2009	2010
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 181,289,769	\$ 185,504,246	\$ 179,027,466	\$ 176,607,596
Restricted	6,507,747	5,615,510	6,281,547	7,376,272
Unrestricted	8,448,512	6,286,051	7,633,118	7,055,416
TOTAL GOVERNMENTAL ACTIVITIES	\$ 196,246,028	\$ 197,405,807	\$ 192,942,131	\$ 191,039,284
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	\$ 67,709,537	\$ 74,099,851	\$ 73,436,233	\$ 63,883,643
Restricted	785,446	804,588	406,000	920,000
Unrestricted	6,085,709	2,254,481	4,727,611	5,027,550
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 74,580,692	\$ 77,158,920	\$ 78,569,844	\$ 69,831,193
PRIMARY GOVERNMENT				
Net investment in capital assets	\$ 248,999,306	\$ 259,604,097	\$ 252,463,699	\$ 240,491,239
Restricted	7,293,193	6,420,098	6,687,547	8,296,272
Unrestricted	14,534,221	8,540,532	12,360,729	12,082,966
TOTAL PRIMARY GOVERNMENT	\$ 270,826,720	\$ 274,564,727	\$ 271,511,975	\$ 260,870,477

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

Data Source

Audited Financial Statements

2011	2012	2013	2014	2015	2016*
\$ 175,520,012	\$ 177,068,931	\$ 181,677,850	\$ 179,276,332	\$ 181,340,289	\$ 179,194,896
7,503,441	2,266,916	1,860,785	2,309,292	3,055,239	3,114,451
8,606,808	15,271,626	17,932,292	21,967,034	24,222,228	8,095,190
<u>\$ 191,630,261</u>	<u>\$ 194,607,473</u>	<u>\$ 201,470,927</u>	<u>\$ 203,552,658</u>	<u>\$ 208,617,756</u>	<u>\$ 190,404,537</u>
\$ 60,837,070	\$ 57,848,186	\$ 55,074,145	\$ 54,136,285	\$ 52,805,499	\$ 49,930,507
817,000	1,523,000	872,688	866,338	830,426	806,625
7,274,331	8,938,628	13,150,719	13,024,609	11,375,018	10,973,454
<u>\$ 68,928,401</u>	<u>\$ 68,309,814</u>	<u>\$ 69,097,552</u>	<u>\$ 68,027,232</u>	<u>\$ 65,010,943</u>	<u>\$ 61,710,586</u>
\$ 236,357,082	\$ 234,917,117	\$ 236,751,995	\$ 233,412,617	\$ 234,145,788	\$ 229,125,403
8,320,441	3,789,916	2,733,473	3,175,630	3,885,665	3,921,076
15,881,139	24,210,254	31,083,011	34,991,643	35,597,246	19,068,644
<u>\$ 260,558,662</u>	<u>\$ 262,917,287</u>	<u>\$ 270,568,479</u>	<u>\$ 271,579,890</u>	<u>\$ 273,628,699</u>	<u>\$ 252,115,123</u>

VILLAGE OF ALGONQUIN, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2007	2008	2009	2010
EXPENSES				
Governmental activities				
General government	\$ 7,486,196	\$ 4,378,364	\$ 4,618,093	\$ 4,511,797
Public safety	6,023,380	6,897,936	7,686,244	7,924,602
Public works	7,567,852	9,844,829	16,991,574	12,154,994
Interest	440,111	378,502	408,053	395,572
Total governmental activities expenses	<u>21,517,539</u>	<u>21,499,631</u>	<u>29,703,964</u>	<u>24,986,965</u>
BUSINESS-TYPE ACTIVITIES				
Water and sewer	<u>7,530,363</u>	<u>7,600,797</u>	<u>8,708,844</u>	<u>16,311,087</u>
Total business-type activities expenses	<u>7,530,363</u>	<u>7,600,797</u>	<u>8,708,844</u>	<u>16,311,087</u>
TOTAL PRIMARY GOVERNMENT EXPENSES	<u>\$ 29,047,902</u>	<u>\$ 29,100,428</u>	<u>\$ 38,412,808</u>	<u>\$ 41,298,052</u>
PROGRAM REVENUES				
Governmental activities				
Charges for services				
General government	\$ 1,523,407	\$ 1,266,281	\$ 1,416,942	\$ 732,201
Public safety	610,043	715,082	745,832	1,223,423
Public works	105,074	78,279	42,130	21,704
Operating grants and contributions	1,213,851	1,156,090	1,017,003	971,168
Capital grants and contributions	1,586,198	1,487,548	3,807,774	1,579,772
Total governmental activities program revenues	<u>5,038,573</u>	<u>4,703,280</u>	<u>7,029,681</u>	<u>4,528,268</u>
Business-type activities				
Charges for services				
Water/sewer	5,665,128	5,602,144	5,624,824	5,201,422
Operating grants and contributions	1,090	54,641	34,040	37,071
Capital grants and contributions	-	465,381	959,913	-
Total business-type activities program revenues	<u>5,666,218</u>	<u>6,122,166</u>	<u>6,618,777</u>	<u>5,238,493</u>
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	<u>\$ 10,704,791</u>	<u>\$ 10,825,446</u>	<u>\$ 13,648,458</u>	<u>\$ 9,766,761</u>
NET (EXPENSE) REVENUE				
Governmental activities	\$ (16,478,966)	\$ (16,796,351)	\$ (22,674,283)	\$ (20,458,697)
Business-type activities	<u>(1,864,145)</u>	<u>(1,478,631)</u>	<u>(2,090,067)</u>	<u>(11,072,594)</u>
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	<u>\$ (18,343,111)</u>	<u>\$ (18,274,982)</u>	<u>\$ (24,764,350)</u>	<u>\$ (31,531,291)</u>

	2011	2012	2013	2014	2015	2016
\$	4,538,951	\$ 4,742,261	\$ 4,682,238	\$ 4,538,905	\$ 5,218,534	\$ 5,526,982
	8,086,707	8,267,862	8,668,334	8,842,616	9,089,370	9,516,306
	8,930,380	8,872,523	8,059,774	10,521,914	11,339,697	10,339,204
	344,884	345,353	190,092	160,780	93,117	58,580
	21,900,922	22,227,999	21,600,438	24,064,215	25,740,718	25,441,072
	8,578,470	8,551,752	8,738,058	8,487,380	9,580,289	9,514,803
	8,578,470	8,551,752	8,738,058	8,487,380	9,580,289	9,514,803
\$	30,479,392	\$ 30,779,751	\$ 30,338,496	\$ 32,551,595	\$ 35,321,007	\$ 34,955,875
\$	718,779	\$ 883,440	\$ 1,470,286	\$ 886,332	\$ 821,200	\$ 1,282,209
	977,767	1,003,544	1,022,031	1,062,432	932,375	498,868
	14,989	26,448	52,023	27,637	7,157	-
	1,191,828	1,278,892	1,288,203	1,218,237	1,942,714	1,218,006
	368,995	1,783,794	4,130,903	1,616,727	3,851,095	425,781
	3,272,358	4,976,118	7,963,446	4,811,365	7,554,541	3,424,864
	5,450,665	5,596,381	7,858,350	6,073,440	6,079,733	6,909,153
	54,112	112,067	-	687,145	2,681	-
	-	-	-	-	390,177	-
	5,504,777	5,708,448	7,858,350	6,760,585	6,472,591	6,909,153
\$	8,777,135	\$ 10,684,566	\$ 15,821,796	\$ 11,571,950	\$ 14,027,132	\$ 10,334,017
\$	(18,628,564)	\$ (17,251,881)	\$ (13,636,992)	\$ (19,252,850)	\$ (18,186,177)	\$ (22,016,208)
	(3,073,693)	(2,843,304)	(879,708)	(1,726,795)	(3,107,698)	(2,605,650)
\$	(21,702,257)	\$ (20,095,185)	\$ (14,516,700)	\$ (20,979,645)	\$ (21,293,875)	\$ (24,621,858)

VILLAGE OF ALGONQUIN, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2007	2008	2009	2010
GENERAL REVENUES AND OTHER				
CHANGES IN NET POSITION				
Governmental activities				
Taxes				
Property	\$ 4,720,450	\$ 5,168,603	\$ 5,583,456	\$ 5,939,181
Home rule sales tax	-	-	-	-
Utility	1,739,948	1,023,062	1,014,164	947,168
Other	512,757	899,998	887,618	866,264
Intergovernmental - unrestricted				
Sales and use tax	6,543,069	6,510,307	6,848,007	7,550,234
Income tax	2,771,039	3,426,760	3,067,163	2,676,478
Franchise fees	-	-	-	-
Investment income	615,840	601,941	342,425	215,056
Miscellaneous	8,726	415,459	467,774	361,469
Total governmental activities	16,911,829	18,046,130	18,210,607	18,555,850
Business-type activities				
Sales	2,568,447	3,567,652	3,112,492	2,282,512
Investment income	577,561	230,995	79,999	51,431
Miscellaneous	105,000	258,212	308,500	-
Total business-type activities	3,251,008	4,056,859	3,500,991	2,333,943
TOTAL PRIMARY GOVERNMENT	\$ 20,162,837	\$ 22,102,989	\$ 21,711,598	\$ 20,889,793
CHANGE IN NET POSITION				
Governmental activities	\$ 432,863	\$ 1,249,779	\$ (4,463,676)	\$ (1,902,847)
Business-type activities	1,386,863	2,578,228	1,410,924	(8,738,651)
TOTAL PRIMARY GOVERNMENT	\$ 1,819,726	\$ 3,828,007	\$ (3,052,752)	\$ (10,641,498)

*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

	2011	2012	2013	2014	2015	2016*
\$	5,960,733	\$ 6,000,829	\$ 5,904,067	\$ 5,874,845	\$ 5,844,048	\$ 5,937,891
	-	-	-	-	-	4,120,849
	1,015,552	963,634	999,135	998,361	951,723	899,377
	1,189,334	1,438,886	1,220,371	1,150,583	1,219,631	869,147
	8,030,266	8,630,053	9,023,020	10,129,119	11,459,955	7,635,490
	2,817,443	3,003,337	3,294,417	3,393,115	3,699,105	3,899,246
	-	-	-	-	-	546,474
	192,446	177,276	74,537	(219,130)	69,180	111,774
	13,767	15,078	17,146	7,688	7,633	293,938
	19,219,541	20,229,093	20,532,693	21,334,581	23,251,275	24,314,186
	2,140,901	2,189,131	1,665,803	742,925	-	-
	30,000	35,586	45,222	(205,050)	72,105	24,551
	-	-	-	118,600	19,304	80,427
	2,170,901	2,224,717	1,711,025	656,475	91,409	104,978
\$	21,390,442	\$ 22,453,810	\$ 22,243,718	\$ 21,991,056	\$ 23,342,684	\$ 24,419,164
\$	590,977	\$ 2,977,212	\$ 6,895,701	\$ 2,081,731	\$ 5,065,098	\$ 2,297,978
	(902,792)	(618,587)	831,317	(1,070,320)	(3,016,289)	(2,500,672)
\$	(311,815)	\$ 2,358,625	\$ 7,727,018	\$ 1,011,411	\$ 2,048,809	\$ (202,694)

VILLAGE OF ALGONQUIN, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2007	2008	2009	2010
GENERAL FUND				
Reserved	\$ 489,665	\$ 128,273	\$ 91,051	\$ 820,482
Unreserved - designated	439,570	370,413	723,366	630,847
Unreserved - undesignated	5,766,026	7,240,821	7,537,908	8,031,591
Nonspendable	N/A	N/A	N/A	N/A
Restricted	N/A	N/A	N/A	N/A
Committed	N/A	N/A	N/A	N/A
Assigned	N/A	N/A	N/A	N/A
Unassigned	N/A	N/A	N/A	N/A
TOTAL GENERAL FUND	\$ 6,695,261	\$ 7,739,507	\$ 8,352,325	\$ 9,482,920
ALL OTHER GOVERNMENTAL FUNDS				
Reserved	\$ 6,095,826	\$ 5,580,401	\$ 6,191,767	\$ 6,633,759
Unreserved, reported in				
Special Revenue Fund	2,199,087	2,347,141	3,088,941	2,363,027
Capital Projects Fund	74,556	80,778	127,264	129,144
Debt Service Fund	-	-	-	-
Nonspendable	N/A	N/A	N/A	N/A
Restricted	N/A	N/A	N/A	N/A
Committed	N/A	N/A	N/A	N/A
Assigned	N/A	N/A	N/A	N/A
Unassigned	N/A	N/A	N/A	N/A
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 8,369,469	\$ 8,008,320	\$ 9,407,972	\$ 9,125,930
TOTAL FUND BALANCES	\$ 15,064,730	\$ 15,747,827	\$ 17,760,297	\$ 18,608,850

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

	2011	2012	2013	2014	2015	2016
\$	1,087,729	N/A	N/A	N/A	N/A	N/A
	631,745	N/A	N/A	N/A	N/A	N/A
	8,981,623	N/A	N/A	N/A	N/A	N/A
	N/A	\$ 104,327	\$ 128,636	\$ 87,013	\$ 86,209	\$ 706,122
	N/A	-	-	-	578,255	395,843
	N/A	-	-	-	-	-
	N/A	-	-	-	-	-
	N/A	13,237,235	14,576,319	14,953,584	15,176,721	16,469,895
\$	10,701,097	\$ 13,341,562	\$ 14,704,955	\$ 15,040,597	\$ 15,841,185	\$ 17,571,860
\$	6,506,815	N/A	N/A	N/A	N/A	N/A
	3,001,419	N/A	N/A	N/A	N/A	N/A
	130,320	N/A	N/A	N/A	N/A	N/A
	-	N/A	N/A	N/A	N/A	N/A
	N/A	\$ 225	\$ 235	\$ 167	\$ 166	\$ 135
	N/A	2,266,916	1,860,785	2,309,292	2,476,984	3,114,451
	N/A	-	-	-	-	-
	N/A	5,247,710	6,098,107	7,180,275	8,236,873	12,921,405
	N/A	(94,471)	-	-	(279,467)	(834,949)
\$	9,638,554	\$ 7,420,380	\$ 7,959,127	\$ 9,489,734	\$ 10,434,556	\$ 15,201,042
\$	20,339,651	\$ 20,761,942	\$ 22,664,082	\$ 24,530,331	\$ 26,275,741	\$ 32,772,902

VILLAGE OF ALGONQUIN, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2007	2008	2009	2010
REVENUES				
Taxes	\$ 16,215,537	\$ 17,517,779	\$ 17,616,380	\$ 18,408,483
Licenses and permits	798,701	716,764	934,656	339,520
Intergovernmental, grants, and contributions	1,723,544	1,328,505	1,591,706	1,696,032
Charges for services	815,555	696,065	520,417	463,882
Fines and forfeits	583,982	615,449	694,899	1,132,348
Investment income (loss)	615,840	601,942	342,425	215,055
Miscellaneous	76,337	74,794	128,001	55,366
Total revenues	20,829,496	21,551,298	21,828,484	22,310,686
EXPENDITURES				
General government	3,954,995	4,018,830	4,159,903	4,030,535
Public safety	6,322,486	6,784,724	7,516,079	7,730,736
Public works	4,531,800	6,609,056	5,101,332	6,098,858
Capital outlay	2,536,631	2,516,044	2,305,322	2,874,139
Debt service				
Principal	543,317	597,355	451,600	465,000
Interest	331,567	307,192	281,778	262,865
Total expenditures	18,220,796	20,833,201	19,816,014	21,462,133
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,608,700	718,097	2,012,470	848,553
OTHER FINANCING SOURCES (USES)				
Transfers in	617,081	1,050,798	669,376	678,098
Transfers (out)	(617,081)	(1,085,798)	(669,376)	(678,098)
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)	-	(35,000)	-	-
NET CHANGE IN FUND BALANCES	\$ 2,608,700	\$ 683,097	\$ 2,012,470	\$ 848,553
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	5.58%	4.94%	4.19%	3.92%

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

Data Source

Audited Financial Statements

	2011	2012	2013	2014	2015*	2016
\$	19,016,084	\$ 19,922,146	\$ 20,385,852	\$ 21,452,273	\$ 23,141,444	\$ 11,770,767
	358,788	397,652	705,734	407,800	589,957	823,414
	1,277,185	1,553,508	2,378,726	1,438,538	2,436,940	12,809,274
	301,319	338,722	340,063	333,652	343,116	778,570
	907,896	864,061	798,921	749,287	687,897	551,438
	192,446	177,277	74,537	(219,130)	69,180	119,847
	58,564	135,304	128,322	263,402	218,533	885,770
	22,112,282	23,388,670	24,812,155	24,425,822	27,487,067	27,739,080
	4,109,045	4,138,167	4,343,983	4,279,256	4,531,249	4,740,911
	7,980,376	8,328,490	8,570,284	8,787,750	9,114,836	8,864,640
	6,064,344	5,685,056	7,485,932	7,066,611	8,060,229	6,207,114
	1,512,055	1,217,825	1,754,682	2,054,583	2,957,881	2,084,527
	500,000	3,420,695	590,000	634,615	689,757	565,825
	187,454	176,146	165,134	153,287	89,505	68,040
	20,353,274	22,966,379	22,910,015	22,976,102	25,443,457	22,531,057
	1,759,008	422,291	1,902,140	1,449,720	2,043,610	5,208,023
	852,355	852,355	852,355	850,000	596,147	599,829
	(852,355)	(852,355)	(852,355)	(850,000)	(596,147)	(599,829)
	-	-	-	106,265	-	-
	-	-	-	2,885,000	-	-
	-	-	-	119,392	-	-
	-	-	-	(2,992,328)	-	-
	-	-	-	118,329	-	-
\$	1,759,008	\$ 422,291	\$ 1,902,140	\$ 1,568,049	\$ 2,043,610	\$ 5,208,023
	3.65%	16.54%	3.57%	3.77%	3.47%	3.04%

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)
2006	\$ 862,594,920	\$ 163,022,809	\$ 11,455,468	\$ 1,918,372	\$ 1,038,991,569	0.4642	\$ 3,116,974,707	33.333%	20	\$ 41,819,250	113	\$ 20,806,545
2007	919,421,895	179,848,425	14,279,170	2,341,302	1,115,890,792	0.4701	3,347,672,376	33.333%	10	17,450,000	22	6,504,500
2008	945,636,052	192,038,216	15,042,082	2,357,036	1,155,073,386	0.4849	3,465,220,158	33.333%	10	23,298,000	15	5,344,348
2009	936,696,159	204,128,666	14,380,217	2,386,354	1,157,591,396	0.4839	3,472,774,188	33.333%	3	1,771,968	3	1,125,170
2010	860,584,473	199,171,411	15,301,720	2,563,069	1,077,620,673	0.5233	3,232,862,019	33.333%	2	2,316,784	2	1,244,433
2011	777,644,853	186,100,950	14,937,997	2,596,949	981,280,749	0.5642	2,943,842,247	33.333%	1	5,136,364	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

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)

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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
DIRECT TAX RATES										
General Corporate	0.4642	0.4701	0.4849	0.4839	0.5233	0.5642	0.6208	0.6775	0.7047	0.7159
Total direct rates	0.4642	0.4701	0.4849	0.4839	0.5233	0.5642	0.6208	0.6775	0.7047	0.7159
OVERLAPPING TAX RATES										
Fire District(s)	2.1485	2.1066	2.1304	2.1466	2.3469	2.4758	3.5099	3.8524	4.0108	3.9311
Kane County	0.3452	0.3322	0.3336	0.3398	0.3730	0.3990	0.4336	0.4623	0.4684	0.4479
Kane County Forest Preserve	0.1747	0.1974	0.1932	0.1997	0.2201	0.2609	0.2710	0.3039	0.3126	0.2944
McHenry County	0.7060	0.6871	0.7014	0.7157	0.7927	0.8879	0.9958	1.0960	1.1412	1.0781
McHenry County Conservation	0.1425	0.1738	0.1732	0.1775	0.1956	0.2191	0.2481	0.2748	0.2840	0.2766
Park districts (3)	0.7121	0.6862	0.6580	0.6959	0.8241	0.8665	0.7645	1.0765	1.1276	1.0618
Public libraries (4)	0.8695	0.8456	0.8438	0.8693	0.9916	1.0266	1.5170	1.2313	1.3632	1.3227
Road and bridge (4)	0.2281	0.2210	0.2237	0.2283	0.2552	0.2794	0.3942	0.4387	0.4548	0.4374
Schools (4)	8.7973	8.5327	8.4892	8.7353	9.9611	10.4509	12.0424	13.1491	14.0008	13.4877
Townships (4)	0.2411	0.2527	0.2522	0.2620	0.2984	0.3230	0.4165	0.4316	0.4468	0.4283
Algonquin SSA #1	-	-	-	-	-	-	-	-	-	5.6066
Total overlapping rates	14.3650	14.0353	13.9987	14.3701	16.2587	17.1891	20.5930	22.3166	23.6102	28.3726
TOTAL TAX RATES	14.8292	14.5054	14.4836	14.8540	16.7820	17.7533	21.2138	22.9941	24.3149	29.0885

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	2016			2007		
	2015 Taxable Equalized Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	2006 Taxable Equalized Assessed Value	Rank	Percentage of Total Village Equalized Assessed Valuation
In Retail Fund Algonquin Commons LLC	\$ 22,086,565	1	2.76%	\$ 29,609,792	1	2.85%
Marquette EJP Algonquin LLC	8,057,704	2	1.01%			
Rubloff Oakridge Algonquin LLC	6,767,959	3	0.85%	8,696,611	2	0.84%
Oakridge Court LLC	4,437,615	4	0.55%			
Wal-Mart Real Estate	3,857,154	5	0.48%	4,161,609	5	0.40%
Meijer Stores LTD Partnership	3,772,673	6	0.47%	5,541,600	3	0.53%
Target Corporation	3,447,185	7	0.43%	4,468,118	4	0.43%
LTF USA Real Estate LLC	3,279,618	8	0.41%	3,775,718	6	0.36%
Randall Holdings LLC	2,908,127	9	0.36%			
RPA Shopping Center Ph. 1 LLC	2,555,922	10	0.32%	2,999,700	9	0.29%
HD Development of MD Inc.				3,469,648	7	0.33%
Nickels Quarters LLC				3,010,990	8	0.29%
Algonquin State Bank				2,476,718	10	0.24%
TOTAL	<u>\$ 61,170,522</u>		<u>7.64%</u>	<u>\$ 68,210,504</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*			
2006	\$ 4,829,500	\$ 4,824,833	99.90%	7	\$ 4,824,840	99.90%
2007	5,242,000	5,241,867	100.00%	443	5,242,310	100.01%
2008	5,601,000	5,589,578	99.80%	184	5,589,762	99.80%
2009	5,601,000	5,596,725	99.92%	1,294	5,598,019	99.95%
2010	5,601,000	5,622,139	100.38%	1,254	5,623,393	100.40%
2011	5,575,000	5,522,438	99.06%	162	5,522,600	99.06%
2012	5,481,000	5,490,574	100.17%	-	5,490,574	100.17%
2013	5,481,000	5,451,343	99.46%	103	5,451,446	99.46%
2014	5,481,000	5,468,573	99.77%	-	5,468,573	99.77%
2015	5,731,000	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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General merchandise	\$ 1,134,546	\$ 1,181,247	\$ 1,128,164	\$ 1,196,336	\$ 1,328,129	\$ 1,253,051	\$ 1,366,558	\$ 1,365,588	\$ 2,094,389	\$ 2,120,466
Food	668,337	792,506	903,485	987,441	957,066	989,997	975,961	989,451	1,072,713	1,069,547
Drinking and eating places	625,786	632,570	622,420	634,989	592,419	667,728	717,117	732,747	754,333	776,846
Apparel	549,577	575,270	509,925	455,968	519,440	685,012	588,495	593,205	607,179	586,989
Furniture and H.H. and radio	629,713	727,475	639,712	528,320	510,346	491,866	523,162	549,625	590,672	628,199
Lumber, building hardware	324,388	341,289	356,094	312,403	303,779	304,682	301,486	346,042	356,151	368,429
Automobile and filling stations	1,110,196	1,159,194	1,173,824	1,051,475	1,070,284	1,223,019	1,254,027	1,258,100	557,652	511,290
Drugs and miscellaneous retail	775,525	870,839	866,106	1,047,092	1,038,679	1,065,226	1,036,697	1,081,094	1,150,529	998,903
Agriculture and all others	184,814	192,069	180,022	125,987	110,353	103,667	94,845	106,527	129,176	333,903
Manufacturers	116,495	126,597	109,840	103,914	83,071	117,709	75,772	81,124	103,111	157,401
TOTAL	\$ 6,144,349	\$ 6,599,056	\$ 65,048,822	\$ 6,455,352	\$ 6,525,655	\$ 6,948,585	\$ 6,991,371	\$ 7,144,335	\$ 7,453,273	\$ 7,580,028
Total number of payers	944	989	825	801	766	1,128	807	794	810	815
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%

*Home rule sales tax of 0.75% went into effect on July 1, 2006

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
2007	1.75%	5.50%
2008	1.75%	5.50%
2009	1.75%	6.00%
2010	1.75%	6.00%
2011	1.75%	6.00%
2012	1.75%	6.00%
2013	1.75%	6.00%
2014	1.75%	6.00%
2015	1.75%	6.00%
2016	1.75%	6.00%

Note: Home rule sales tax of 0.75% went into effect on July 1, 2006.

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			
2007	\$ 9,429,767	\$ 78,955	\$ 10,580,000	\$ 460,000	\$ 20,548,722	1.98%	\$ 658.40
2008	9,016,888	11,600	10,385,000	225,000	19,638,488	2.07%	644.27
2009	8,700,204	-	10,170,000	-	18,870,204	1.82%	619.06
2010	8,365,044	-	9,685,000	-	18,050,044	1.62%	592.15
2011	8,081,752	-	9,220,000	-	17,301,752	1.50%	575.84
2012	4,791,375	-	8,751,165	-	13,542,540	1.17%	450.73
2013	4,199,853	-	8,233,893	-	12,433,746	1.15%	413.82
2014	3,665,621	91,650	7,943,788	-	11,701,059	1.19%	389.44
2015	2,970,191	71,893	7,348,715	-	10,390,799	1.17%	345.83
2016	2,405,830	51,068	6,733,642	-	9,190,540	1.14%	305.88

N/A - Information not available.

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 In Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita
2007	\$ 20,009,767	\$ 3,408,084	\$ 16,601,683	1.60%	\$ 518.80
2008	19,401,888	3,449,882	15,952,006	1.43%	523.33
2009	18,870,204	3,460,655	15,409,549	1.33%	505.53
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

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

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

N/A - not available

VILLAGE OF ALGONQUIN, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

April 30, 2016

Governmental Unit	Gross Debt	Percentage Debt Applicable to the Village*	Village's Share of Debt
Kane County	\$ 41,760,000	1.80%	\$ 751,680
McHenry County Conservation District	104,580,000	8.24%	8,617,392
Kane County Forest Preserve	148,904,648	1.80%	2,680,284
Dundee Township Park District	19,734,000	15.23%	3,005,488
Huntley Park District	10,810,000	9.39%	1,015,059
Dundee Township Park District	3,505,000	15.03%	526,802
Algonquin Library	3,090,000	80.44%	2,485,596
Schools			
District No. 300	280,341,296	32.43%	90,914,682
District No. 158	86,990,104	9.85%	8,568,525
District No. 509	<u>181,805,261</u>	8.73%	<u>15,871,599</u>
Subtotal overlapping debt	881,520,309		134,437,107
Village of Algonquin direct debt	<u>2,456,898</u>	100.00%	<u>2,456,898</u>
	<u><u>\$ 883,977,207</u></u>		<u><u>\$ 136,894,005</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, 2016

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

PLEGGED-REVENUE COVERAGE
WATER REVENUE BONDS

Last Ten Fiscal Years

Fiscal Year	Water Charges and Other	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2007	\$ 8,917,226	\$ 4,029,257	\$ 4,887,969	\$ 210,000	\$ 24,946	\$ 20.80
2008	9,713,644	4,219,823	5,493,821	235,000	17,246	21.78
2009	9,286,350	4,645,700	4,640,650	225,000	8,550	19.87
2010	7,572,436	5,073,600	2,498,836	-	-	-
2011	7,675,678	4,632,384	3,043,294	-	-	-
2012	7,850,815	4,650,933	3,199,882	-	-	-
2013	9,569,375	4,892,015	4,677,360	-	-	-
2014	7,602,692	4,684,650	2,918,042	-	-	-
2015	6,564,000	5,897,172	666,828	-	-	-
2016	7,014,131	5,798,490	1,215,641	-	-	-

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

Data Source

Audited financial statements

VILLAGE OF ALGONQUIN, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year	Population		Equalized Assessed Value (EAV)		Per Capita EAV	Unemployment Rate
2007	30,482	*	\$ 947,091,750	\$	31,071	3.90%
2008	30,482	**	1,038,991,569		34,085	5.10%
2009	30,482	**	1,115,890,792		36,608	8.60%
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	N/A

*Actual

**Estimate

N/A - information not available

Note: Personal income data not available

Data Sources

Illinois Department of Employment Security

VILLAGE OF ALGONQUIN, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2016			2005		
	Rank	No. of Employees	Percent of Total Village Population	Rank	No. of Employees	Percent of Total Village Population
School District Number 300*	1	396	1.32%	-	-	0.00%
Jewel Osco	2	305	1.02%	-	-	0.00%
Meijer	3	255	0.85%	-	-	0.00%
Walmart	4	245	0.82%	-	-	0.00%
Target	5	185	0.62%	-	-	0.00%
Kenmode Tool and Engineering, Inc.	6	150	0.50%	2	160	0.52%
Village of Algonquin	7	145	0.48%	3	144	0.47%
Home Depot	8	140	0.47%	-	-	0.00%
Joe Caputo & Sons Fruit Market	9	132	0.44%	-	-	0.00%
Kohls	10	105	0.35%	-	-	0.00%
PEP Wauconda LLC (formerly Wauconda Tool and Engineering)	-	-	0.00%	4	135	0.44%
Duro-Life Corp	-	-	0.00%	6	80	0.26%
Target Manufacturing Inc.	-	-	0.00%	8	50	0.16%
Algonquin State Bank	-	-	0.00%	9	50	0.16%
Crystal Die and Mold, Inc	-	-	0.00%	1	160	0.52%
Schiffmayer Plastics Corp.	-	-	0.00%	7	75	0.25%
Meyer Material Co.	-	-	0.00%	5	100	0.33%
Burnex Corp.	-	-	0.00%	10	30	0.10%

*Only schools located in the Village

Data Sources

2016 Illinois Manufacturers Directory, 2016 Illinois Services Directory, the Village and a selective telephone survey Spear Financial, May 4, 2016

Illinois Department of Employment Security . "Local Area Unemployment Statistics (LAUS)." July 6, 2016

http://www.ides.illinois.gov/LMI/Pages/Downloadable_LAUS_Files.aspx

VILLAGE OF ALGONQUIN, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
GENERAL GOVERNMENT										
Administration	18	18	22	20	19	19	20	19	19	18
Community development	12	12	12	12	12	12	12	12	12	12
PUBLIC SAFETY										
Police										
Officers	46	49	50	49	49	49	48	46	46	44
Civilians	7	9	11	11	11	11	11	11	10	8
PUBLIC WORKS										
Public works administration	9	7	8	7	6	6	6	6	4	4
Public works general services	28	29	33	33	30	29	30	29	25	26
Internal services	5	7	9	9	9	9	9	8	9	8
WATER										
Water and sewer	19	22	22	22	19	20	20	21	23	21
POOL	N/A	N/A	4	5	5	4	3	4	4	4
TOTAL	144	153	171	168	160	159	159	156	152	145

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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
GENERAL GOVERNMENT										
Community Development										
Building permits issued	2,065	1,893	3,366	2,092	1,854	2,170	2,354	2,467	4,107	3,122
Building inspections conducted	6,517	4,290	5,720	4,036	2,756	4,096	4,023	4,562	8,589	6,229
Property maintenance inspections conducted	2,688	2,452	3,810	3,483	3,552	4,330	4,605	3,982	4,292	4,737
PUBLIC SAFETY										
Police										
Physical arrests	946	703	939	777	660	724	555	511	488	520
Parking violations	1,142	1,243	992	711	1,375	1,271	1,302	1,287	1,040	839
Traffic violations	6,394	6,684	6,611	4,524	4,311	4,818	3,708	3,305	2,233	4,937
PUBLIC WORKS										
Streets										
Street resurfacing (miles)	0.80	1.22	0.95	2.50	2.77	1.76	2.00	4.90	5.10	-
Parks and Recreation										
Park sites	21	22	22	22	22	22	22	22	22	22
Developed park acreage	253	155	155	155	155	155	155	155	155	155
Open space	273	512	512	512	512	512	512	512	512	512
Water										
New Connections (tap-ons)	400	21	20	5	5	-	13	7	22	2
Average daily consumption*	2,899	2,946	3,000	2,760	2,590	2,679	2,864	2,682	2,725	2,478
Peak daily consumption*	4,679	4,428	4,200	4,671	3,924	3,382	5,151	4,253	3,231	4,097
Wastewater										
Average daily sewage treatment **	3.2	3.0	3.5	3.1	3.0	2.9	2.8	3.0	2.9	3.1

*thousands of gallons

**millions of gallons

Data Sources

Various Village departments

VILLAGE OF ALGONQUIN, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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	249	249	249	286	286	267	256	256	256
Streetlights	228	228	228	228	228	228	189	189	211	211
Parks and Recreation										
Acreage	526	647	667	667	667	667	667	667	667	667
Playgrounds	17	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	13	14	14	14	14	14	14	14	14	14
Sites with tennis courts	4	5	5	5	5	5	5	5	5	5
Water										
Water mains (miles)	168	168	159	159	170	165	165	165	168	168
Fire hydrants	2,200	2,207	2,049	2,153	2,176	2,208	2,213	2,213	2,214	2,224
Storage capacity *	3.390	3.390	3.390	3.390	3.390	3.390	3.390	3.390	3.390	3.390
Wastewater										
Sanitary sewers (miles)	135	135	134	136	140	138	135	137	144	145
Treatment capacity *	2.980	2.828	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000

*thousands of gallons

Data Source

Various Village departments