



THE VILLAGE OF
ALGONQUIN
ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
APRIL 30, 2017

VILLAGE OF ALGONQUIN, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
April 30, 2017

Issued by the Finance Department

Michael Kumbera
Treasurer

Susan Skillman
Comptroller

VILLAGE OF ALGONQUIN, ILLINOIS
TABLE OF CONTENTS

	<u>Page(s)</u>
INTRODUCTORY SECTION	
Principal Officials	i
Organization Chart.....	ii
Certificate of Achievement for Excellence in Financial Reporting.....	iii
Letter of Transmittal	iv-x
FINANCIAL SECTION	
INDEPENDENT AUDITOR’S REPORT.....	1-3
GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS	
Management’s Discussion and Analysis.....	MD&A 1-12
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position.....	4-5
Statement of Activities	6-7
Fund Financial Statements	
Governmental Funds	
Balance Sheet	8-9
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position.....	10
Statement of Revenues, Expenditures, and Changes in Fund Balances	11
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Governmental Activities in the Statement of Activities.....	12

VILLAGE OF ALGONQUIN, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)

Basic Financial Statements (Continued)

Fund Financial Statements (Continued)

Proprietary Funds

Statement of Net Position.....	13-14
Statement of Revenues, Expenses, and Changes in Fund Net Position.....	15
Statement of Cash Flows.....	16-17

Fiduciary Funds

Statement of Fiduciary Net Position	18
Statement of Changes in Fiduciary Net Position	19

Notes to Financial Statements	20-54
-------------------------------------	-------

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
General Fund	55
Downtown TIF District Fund.....	56
Schedule of Funding Progress	
Other Postemployment Benefit Plan	57
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund	58
Police Pension Fund	59
Other Postemployment Benefit Plan	60
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios	
Illinois Municipal Retirement Fund	61
Police Pension Fund	62
Schedule of Investment Returns	
Police Pension Fund	63
Notes to Required Supplementary Information	64

VILLAGE OF ALGONQUIN, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

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

MAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet	65
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - General Fund - by Account.....	66
Schedule of Revenues - Budget and Actual - General Fund Operating Account.....	67-68
Schedule of Expenditures - Budget and Actual - General Fund Operating Account.....	69-70
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund Public Swimming Pool Account	71
Schedule of Expenditures - Budget and Actual - General Fund Public Swimming Pool Account	72
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund Special Revenue Account.....	73
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Street Improvement Fund.....	74

NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet	75
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	76
Combining Balance Sheet - Nonmajor Special Revenue Funds	77
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds	78
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Motor Fuel Tax Fund.....	79
Parks Fund	80
Cemetery Fund	81
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Debt Service Fund.....	82
Village Expansion Fund	83

VILLAGE OF ALGONQUIN, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES (Continued)

MAJOR ENTERPRISE FUND

Waterworks and Sewerage Fund	
Combining Statement of Net Position.....	84-85
Combining Statement of Revenues, Expenses, and Changes in Net Position	86
Schedule of Operating Expenses - Budget and Actual	87-89

INTERNAL SERVICE FUNDS

Combining Statement of Net Position.....	90
Combining Statement of Revenues, Expenses, and Changes in Net Position.....	91
Combining Statement of Cash Flows.....	92-93

Building Service Fund

Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual	94
Schedule of Operating Expenses - Budget and Actual	95

Vehicle Maintenance Fund

Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual - Budgetary Basis	96
Schedule of Operating Expenses - Budget and Actual	97

FIDUCIARY FUNDS

Schedule of Changes in Fiduciary Net Position - Budget and Actual	
Police Pension Fund	98
Schedule of Changes in Assets and Liabilities	
Developer Deposits Fund	99

SUPPLEMENTAL SCHEDULES

Long-Term Debt Requirements	
General Obligation Refunding Bond, Series of 2013 Water and Sewer	100
General Obligation Refunding Bond Series of 2014A Debt Service	101

VILLAGE OF ALGONQUIN, ILLINOIS
TABLE OF CONTENTS (Continued)

	<u>Page(s)</u>
STATISTICAL SECTION	
Financial Trends	
Net Position by Component	102-103
Change in Net Position.....	104-107
Fund Balances of Governmental Funds	108-109
Changes in Fund Balances of Governmental Funds	110-111
Revenue Capacity	
Assessed Value and Actual Value of Taxable Property	112
Property Tax Rates - Direct and Overlapping Governments.....	113
Principal Property Taxpayers	114
Property Tax Levies and Collections	115
Sales Tax by Category.....	116
Direct and Overlapping Sales Tax Rates	117
Debt Capacity	
Ratios of Outstanding Debt by Type.....	118
Ratios of General Bonded Debt Outstanding.....	119
Direct and Overlapping Governmental Activities Debt.....	120
Legal Debt Margin	121
Pledged-Revenue Coverage - Water Revenue Bonds.....	122
Demographic and Economic Information	
Demographic and Economic Information.....	123
Principal Employers	124
Operating Information	
Full-Time Equivalent Employees.....	125
Operating Indicators	126
Capital Asset Statistics	127

INTRODUCTORY SECTION

Village of Algonquin, Illinois
Principal Officials

April 30, 2017

Legislative

Village Board of Trustees

John Schmitt, Village President

Laura Brehmer

Debby Sosine

Jerry Glogowski

John Spella

Janis Jasper

Jim Steigert

Gerald S. Kautz, Clerk

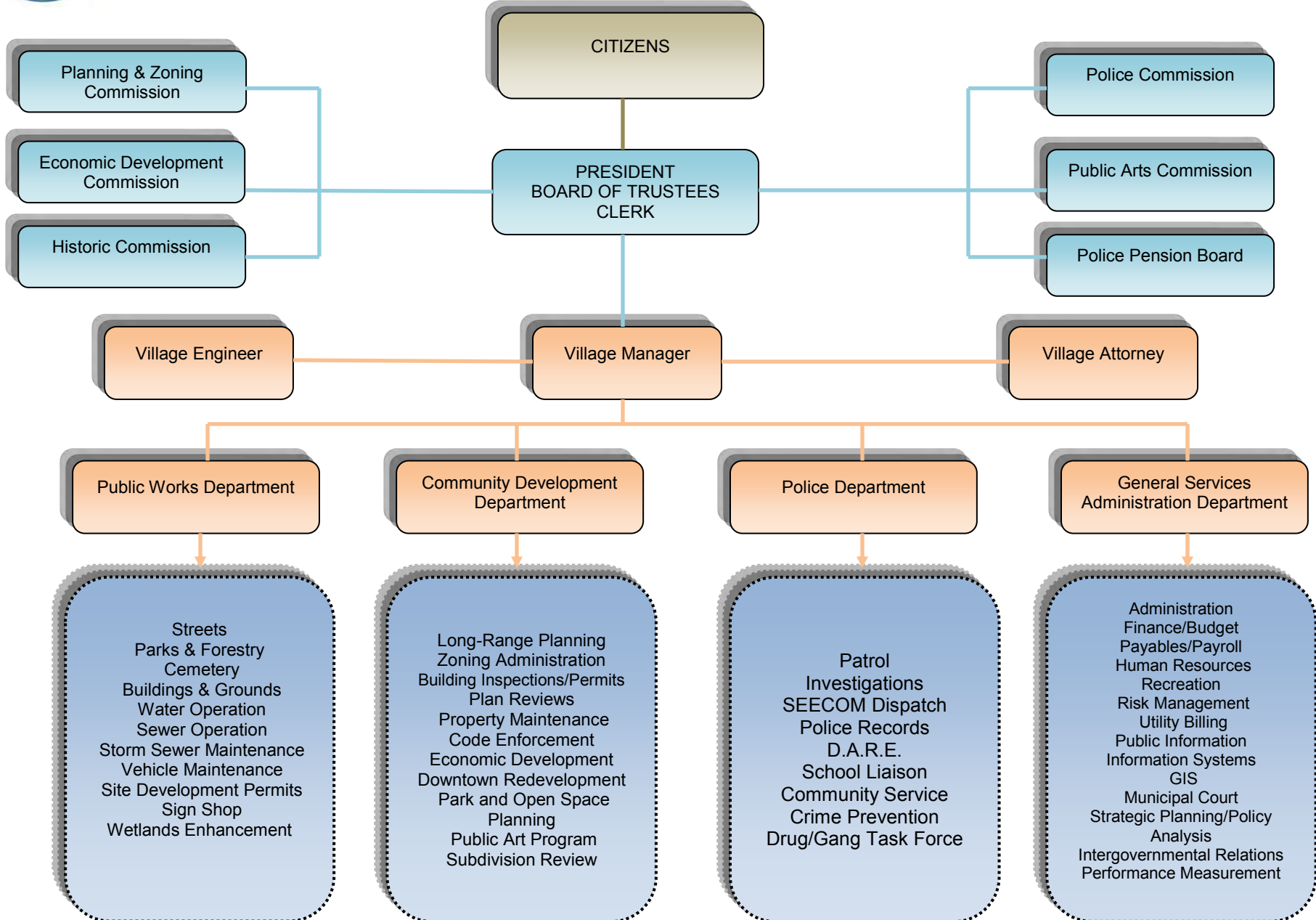
Appointed Officials

Tim Schloneger, Village Manager

Michael Kumbera, Treasurer



VILLAGE OF ALGONQUIN 2016-2017 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, 2016

Executive Director/CEO



Village of Algonquin

The Gem of the Fox River Valley

October 4, 2017

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, 2017, 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, 2017, 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, 2017, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of the Village of Algonquin

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

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

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

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

Local Economy

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

Retail trade, accommodations and food services, health care and social assistance, and manufacturing comprise the major industry sectors in Algonquin. The Village's unemployment rate in 2016 was 5.0 percent which is stable from the 2015 rate of 4.9 percent. Algonquin's unemployment rate compares favorably to the State of Illinois (5.9 percent) and the Chicago metropolitan area (5.8 percent).

Growth continued in the local sales tax base across many categories including food and beverage, furniture, and automotive. General Fund sales tax revenues increased by \$68,643 (or 0.9 percent) to \$7.7 million. Sales tax revenue represented 34 percent of total General Fund revenues for the year.

State-shared income/use tax revenue decreased by \$319,638 (or 8.2 percent) to \$3.57 million compared to the prior year. The 2010 Census counts are used in the distribution formula for state-shared revenues. The state's per capita distribution rate for FY 17 decreased 7.8 percent for the year following an increase of 11.5 percent in FY 16. The statewide economy continues to impact Village finances as evidenced by the state's continued slow distribution of income tax allocations (one month in arrears as of April 2017) which unfavorably impacts our cash position and investment income.

Assessed property values in Algonquin increased 6.5 percent in 2016 to \$852,365,740, which follows a 2.9 percent increase in 2015 and a 3.4 percent decrease in 2014. New construction growth in the residential and commercial sectors helped contribute to an increase in property values. As a home rule unit of government, the Village's tax levy is not subject to the Property Tax Extension Limitation Law (PTELL).

Building permit revenues exceeded budget by \$19,176 due to some larger commercial developments in the village. During the fiscal year ended April 30, 2017, 3,050 permits were issued, down slightly from the previous year (3,116).

Overall, operating results in the General Fund were positive, however due to a transfer to the Street Improvement Fund in accordance with the Village's Reserve Policy (see detail under Relevant Financial Policies section), expenditures exceeded revenues by 1.0 percent and expenditures were 4.3 percent less than budget. Economic and state legislative trends are being monitored closely to gauge the potential impact on the Village's financial position. Expenditures are being evaluated and reduced whenever necessary and possible, and privatization and shared services are being considered when a cost savings and consistent level of service can be achieved.

Long-Term Financial Planning

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

The Village invests portions of the surplus cash in local government investment pools as well as fixed income securities as an alternative investment. Investment returns for local government investment pools are correlated to the short-term federal funds rate, which was as 75 to 100 basis points as of April 30, 2017. Investment grade fixed income securities with an average life of less than three years are approved for investment. This includes corporate bonds pursuant to the Village's investment policy. The maturities of investments now range from being immediately accessible (Illinois Funds and IMET Convenience Fund) and up to three years (Fixed Income Investments). Investment income includes market appreciation in the fair value of investments.

The Police Pension Fund is permitted to invest in equities as well as fixed income bonds with longer maturities. Market value yields from these assets for the year ended April 30, 2017, were 9.0 percent.

The Village sponsors a single-employer defined benefit pension plan for its police officers. Each year, an independent actuary engaged by the Village and the pension plan calculates the amount of the annual contribution that the Village must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. As a matter of policy, the Village fully funds each year's annual required contribution to the pension plan as determined by the actuary. As a result of the Village's conservative funding policy, the Village has succeeded as of April 30, 2017, in funding 63.0 percent of the actuarial accrued liabilities. The actuarial valuation as stated in this report, determined that the net contribution due from the Village is \$1,983,552. The remaining unfunded amount is being systematically funded over 16 years as part of the annual required contribution calculated by the actuary.

The Village also provides pension benefits for its non-public safety employees. These benefits are provided through a statewide plan managed by the Illinois Municipal Retirement Plan (IMRF). The Village has no obligation in connection with employee benefits offered through this plan beyond its contractual payments to IMRF. Additional information on the Village's pension arrangements can be found in Note 10 in the financial statements.

As of April 30, 2017, the Village had two outstanding debt issues, both of which were general obligation bonds. Outstanding at year end were \$7.66 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.

Relevant Financial Policies

Cash and investments in the General Fund (Operating) at April 30, 2017, is \$13.2 million, which represents 65.9 percent of 2017 general fund operating revenues, exceeding the Village's policy guidelines set by the Village Board. Accordingly, \$1 million was transferred to the Street Improvement Fund in FY 17 to reduce this portion of unassigned fund balance to be more in line with the policy target range. These reserves are vital to ensuring the Village's ability to weather the current national and state economic conditions, address pension funding requirements and maintain services in the event of unanticipated revenue shortfalls.

General Fund Operating Revenues exceeded General Fund Operating Expenditures by \$1.4 million in FY 17. The Fund Balance deficiency of \$215,805 results is due to transfers out pursuant to the Village's Reserve Policy, previously discussed, and is not indicative of any structural budgetary concerns.

Debt outstanding at April 30, 2017, for the two active general obligation bond issues are \$7.66 million. Series 2014A will be retired in 2020 and Series 2013 will be retired in 2025. Pursuant to the Village's Capital Improvement Plan, debt issuance may be considered for certain large-scale expenditures provided policy guidelines are met. Provided the Village's current debt structure, ample capacity exists within the foreseeable future should the Village Board wish to pursue this financing method.

Major Initiatives

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

The Village implemented a multi-year rate and fee increase in November 2016 to fund water and sewer utility operations and capital improvements for the next five years. 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. Water and sewer operations are a true enterprise fund, which require rates and fees to be set a level for full cost recovery for providing the service to the community. Tax revenues are not used to support this operation.

The Village's communication and community engagement efforts were refreshed in FY 17 with the launch of a new Village web site. The new web site features a modern template, conducive to mobile e-commerce, as web traffic from mobile and tablet devices has increased significantly in recent years. Additionally, the new web site will feature a more service-oriented layout rather than an organizational layout to better serve our customers. Data analytics were used in the design of the web site to identify user behavior and expectations which overwhelming supported prioritizing community information and interactive online services. Social media platforms will continue to serve as a means to drive traffic to the Village web site.

At a regional level, stage one construction concluded on the Longmeadow Parkway Bridge Corridor, constructing a new roadway between Randall Road and Boyer/Huntley Road in Algonquin. Stage two construction, which is the final segment within the Village's corporate limits, began in FY 17. This work includes construction between Randall Road and Karen Drive in Algonquin. 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.

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, 2016. This was the thirteenth 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 2017 budget document. This was the thirteenth 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 2017 CAFR continues to meet the Certificate of Achievement Program requirements and we are submitting the report to the GFOA to determine its eligibility for another award.

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

Respectfully submitted,



Michael J. Kumbera
Assistant Village Manager/Treasurer

FINANCIAL STATEMENTS



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

630.566.8400 // www.sikich.com

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

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, 2017, 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 0.22%, 0.26%, and 4.5 % of the assets, net position and revenues of the governmental activities, respectively. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it related to the amounts included for SEECOM, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

The Village adopted GASB Statement No. 72, *Fair Value Measurement and Application*, which addresses accounting and financial reporting issues related to fair value measurements. The statement modifies certain disclosures in the notes to financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Sikich LLP

Naperville, Illinois
October 4, 2017

**GENERAL PURPOSE
EXTERNAL FINANCIAL STATEMENTS**

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

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Transmittal Letter (beginning on page vi) and the Village's financial statements (beginning on page 4).

Financial Highlights

- **The Village's net** position decreased by \$1.8 million (or .7%) from FY16 to \$250.3 million.
- The governmental activities net position increased by \$0.1 million (or 0.1%) from FY16 to \$190.5 million.
- The business type activities net position decreased by \$1.9 million (or 3.2%) from FY16 to \$59.8 million.
- The total revenues of all governmental activity programs decreased by \$0.2 million and expenses increased \$2.0 million from FY16.
- The total revenues of business-type activity programs increased by \$0.1 million and expenses decreased \$0.5 million from FY16.
- Total Village expenses increased by \$1.5 million (or 4.2%).
- **The Village's** combined general fund balance decreased by \$0.6 million from FY16.
- **The Village's** combined general fund actual revenues were over the budgeted amounts by \$0.2 million and actual expenditures were under the budgeted amounts by \$1.0 million.
- **The Village's capital assets** decreased by \$1.7 million to \$236.6 million from FY16.

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.

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, 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. Therefore, the assets in this fund are not presented as part of the Government-Wide Financial Statements.

While the Business-type Activities column on the Business-type Fund Financial Statements (see pages 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. This is because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 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 \$1.8 million from FY16 – decreasing from \$252.1 million to \$250.3 million. The following analysis will look at net position and net expenses of the governmental and business-type activities separately. The total net position for the governmental activities increased \$0.1 million from \$190.4 million to \$190.5 million. The business-type activities net position decreased by \$1.9 million from \$61.7 million to \$59.8 million. Table 1 reflects the condensed Statement of Net Position compared to FY16. Table 2 will focus on the changes in net position of the governmental and business-type activities. A detailed analysis of the changes can be found in the section for Current Year Impacts on page MD&A 6.

Table 1						
Statement of Net Position						
As of April 30, 2017 and 2016						
(in millions)						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 40.3	\$ 41.0	\$ 14.3	\$ 13.4	\$ 54.6	\$ 54.4
Capital assets	183.2	181.7	53.4	56.7	236.6	238.4
Total assets	223.5	222.7	67.7	70.1	291.2	292.8
Deferred Outflows of Resources	1.9	2.3	0.5	0.5	2.4	2.8
Long-term liabilities	22.6	24.5	6.8	7.6	29.4	32.1
Other liabilities	3.1	3.2	1.4	1.3	4.5	4.5
Total liabilities	25.7	27.7	8.2	8.9	33.9	36.6
Deferred Inflows of Resources	9.1	6.9	0.2	-	9.3	6.9
Net Position:						
Net investment in capital assets	181.4	179.2	47.5	49.9	228.9	229.1
Restricted	6.5	3.1	0.8	0.8	7.3	3.9
Unrestricted	2.6	8.1	11.5	11.0	14.1	19.1
Total net position	\$ 190.5	\$ 190.4	\$ 59.8	\$ 61.7	\$ 250.3	\$ 252.1

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 \$1.8 million decrease of combined net position (which is the Village's bottom line) was the result of the governmental activities net position increasing by \$0.1 million and the business-type activities decreasing by \$1.9 million.

The governmental activities total assets increased by \$0.8 million and the governmental activities total liabilities decreased by \$2.0 million. The total assets increase of \$0.8 million was a result of an increase of \$1.5 million in capital assets and a decrease of \$0.7 million in current and other assets. The increase in capital assets was due to increases of \$4.5 million in construction in progress, \$0.4 million in other improvements, \$0.1 million in vehicles and equipment. This was offset with decreases of \$3.2 million in streets/storm sewers/bridges, and \$0.3 million in buildings. The decrease in current and other assets was due mainly to a decrease of \$1.2 million in cash and investment and a decrease of \$0.1 million for internal balances. This was offset by increases of \$0.1 million in property taxes, \$0.3 million in intergovernmental, grants, and contributions, \$0.1 million in IPBC (insurance pool) receivables, and \$0.1 million in investment in joint venture.

Deferred outflows of resources decreased by \$0.4 million due to decreases of pension items relating to the Police Pension Fund of \$0.3 million and IMRF of \$0.1 million (See Note 10 and 12 in the Notes to Financial Statements for additional information).

The governmental activities total liabilities decreased by \$2.0 million due to a decrease of \$3.1 million in long-term liabilities, which was offset by an increase of \$1.1 million in accounts payable. The long-term liabilities decreased by \$3.1 million due to the reduction of pension liabilities for the Police Pension Fund and IMRF (See Note 10 and 12). This was offset by an increase in other liabilities of \$1.1 million due to an increase in accounts payable.

Deferred inflows of resources increased \$2.2 million due to the addition of pension items for the Police Pension Fund of \$1.7 million and IMRF of \$0.4 million (See Note 10 and 12). Deferred property tax revenue also increased by \$0.1 million.

The net position of the business-type activities decreased by \$1.9 million from \$61.7 million to \$59.8 million. Total assets of the business-type activities decreased by \$2.4 million from \$70.1 to \$67.7 million. The total assets decrease of \$2.4 million was a result of a decrease in capital assets of \$3.3 million and an increase in current and other assets of \$0.9 million. The capital asset decrease of \$3.3 million in the business-type activities occurred mainly as a result of decreases in water and sewer improvements of \$3.0 million, and \$0.4 million in vehicles and equipment. These decreases were offset by an increase of \$0.1 million in construction in progress. The overall decrease was due mainly to capital assets depreciation. The increase in current assets of \$0.9 million was mainly due to an increase of \$1.4 million in cash and investments, \$0.1 million in accounts receivable, and \$0.1 million in internal balances. These were offset by a decrease of \$0.7 million in other receivables. Expenses exceeded revenues during FY17, which resulted in a net deficit of \$1.9 million.

Total liabilities of the business-type activities decreased by \$0.7 million from \$8.9 million to \$8.2 million. The long-term liabilities decreased by \$0.8 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, 2017 and 2016						
(in millions)						
	Governmental Activities		Business-Type Activities		Total Primary Government	
Revenue	2017	2016	2017	2016	2017	2016
Program Revenues						
Charges for Service	\$ 1.5	\$ 1.8	\$ 7.0	\$ 6.9	\$ 8.5	\$ 8.7
Operating Grants/Contributions	1.1	1.2	-	-	1.1	1.2
Capital Grants/Contributions	0.4	0.4	-	-	0.4	0.4
General Revenue						
Property	6.3	5.9	-	-	6.3	5.9
Other taxes	17.4	17.5	-	-	17.4	17.5
Other	0.8	0.9	0.1	0.1	0.9	1.0
Total Revenue	27.5	27.7	7.1	7.0	34.6	34.7
Expenses						
Governmental Activities						
General Government	5.0	5.5	-	-	5.0	5.5
Public Safety	9.6	9.5	-	-	9.6	9.5
Public Works	12.8	10.3	-	-	12.8	10.3
Interest	-	0.1	-	-	-	0.1
Business Type						
Water and Sewer	-	-	9.0	9.5	9.0	9.5
Total Expenses	27.4	25.4	9.0	9.5	36.4	34.9
Change in Net Position	0.1	2.3	(1.9)	(2.5)	(1.8)	(0.2)
Net position - beginning	190.4	188.1	61.7	64.2	252.1	252.3
Net position - ending	\$ 190.5	\$ 190.4	\$ 59.8	\$ 61.7	\$ 250.3	\$ 252.1

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

Normal Impacts

Revenues:

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

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

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

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

Expenses:

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

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

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

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

Governmental Activities

Revenue:

Total revenues for Governmental Activities decreased \$0.2 million from \$27.7 million to \$27.5 million. Decreases of \$0.3 million in charges for service, \$0.1 million in operating grants/contributions, \$0.1 million other taxes, and \$0.1 million in other revenue were offset by an increase of \$0.4 million in property taxes. The \$0.3 million decrease in charges for services was due lower collections of park developer fees. Operating grant/contributions decreased as a change was made to record pass-through developer school donation fees as a liability rather than a revenue starting in FY16. Other taxes decreased \$0.1 million due to a \$0.3 million decrease in income tax that was offset by \$0.2 million increases in various other taxes. Miscellaneous revenues decreased by \$0.1 million due to a decrease in insurance claim revenues from the previous year. Property tax revenue increased due to an increase in the property tax levy and EAV in FY16.

Management's Discussion and Analysis

April 30, 2017

The Village has a diversified revenue structure and depends on several key revenue sources to help pay for the services provided. The Village attempts to maintain its property tax level and capture new revenues from growth. Due to recent upturns in the housing market values, **the Village's EAV** increased by approximately 2.8% from levy year 2015 (\$800,571,395) to levy year 2016 (\$852,365,740). **The Village's property tax rate** was 0.7159 in 2015 and 0.6570 in 2016.

In the general government, state shared income tax decreased 8.2% from FY16 to FY17. There were increases in sales tax revenues of 0.1%, and home rule sales tax revenues of 2.5%. Utility tax revenues had a 2.6% increase from the prior fiscal year after years of decline. Telecommunication tax revenue receipts, which is collected and distributed by the State of Illinois, decreased by 2.6% from FY16 to FY17.

Expenses:

The Village's governmental activities total expenses decreased \$2.0 million for FY17.

The Village's General Government function expenses decreased \$0.5 million from \$5.5 million to \$5.0 million. The General Government expenses decreased mainly due to reduced expenses for regional marketing in the Special Revenue Fund during FY17.

Public Safety expenses increased \$0.1 million from \$9.5 million to \$9.6 million. The Public Safety expenses increased mainly due to increases in personnel costs.

Public Works expenses increased \$2.5 million from \$10.3 million to \$12.8 million. The Public Works expenses increased mainly due to an increase in the Street Improvement Fund infrastructure maintenance expenses for various street improvement projects.

Interest expenses decreased \$0.1 million.

Business-type Activities

Revenue:

Total revenues for Business-type Activities increased \$0.1 million from \$7.0 million to \$7.1 million. There was an increase of \$0.7 million in infrastructure fees, and \$0.1 in water and sewer revenue. This was offset by a decrease of \$0.7 million in connection fees. The \$0.7 million increase in infrastructure fees was due to this new fee going into effect in November 2016 (\$10 per month per water/sewer bill), and an increase of \$.1 million due to a rate increase. Connections fees decreased due to slower development in FY17.

Expenses:

The Village's Business-type Activities total expenses decreased \$0.5 million from \$9.5 million to \$9.0 million. The overall change in expenses was due to a decrease of \$.5 million in operating expenses.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Governmental Funds

At April 30, 2017, the governmental funds (as presented on the balance sheet on pages 8-9) reported a combined fund balance of \$30.7 million or a decrease of 6.2% from \$32.8 million at the beginning of the year. Of the total fund balance, \$12.9 million is unassigned indicating availability for continuing Village services. The net decrease in the Fund Balance of Governmental Funds of \$2.1 million was due to an increase of \$2.1 million in total liabilities.

The increase of \$0.1 million in total assets consisted of a decrease of \$1.2 million in cash and equivalents. This decrease was offset by increases of \$0.9 million in advance to other funds, and \$0.3 million in intergovernmental, grants, and contributions, and \$0.1 million in property tax receivables. The increase in total liabilities of \$2.1 million was due to increases of \$1.1 million in accounts payable and \$1.0 million in advances from other funds. Deferred inflows of resources increased \$0.1 million due to an increase of \$0.1 million in unavailable property tax revenue.

The general fund total fund balance decreased \$0.6 million from \$17.6 million in FY16 to \$17.0 million in FY17. General fund assets had a net decrease of \$0.5 million due to a decrease of \$0.6 million in cash and investments attributable mainly to a \$1.0 million transfer to the street improvement fund, and a decrease of \$0.1 million in property tax receivable. This was offset by an increase in IPBC (insurance pool) receivable of \$0.1 million. General fund total liabilities increased \$0.2 million due to an increase of \$0.2 million in accounts payable. Deferred inflows of resources decreased \$0.1 million due to a decrease in unavailable property tax revenue from FY16 to FY17.

The street improvement fund total fund balance remained unchanged at \$11.3 million from FY16 to FY17. Assets increased \$0.5 million from FY16 to FY17. This included an increase in advances to other funds of \$0.8 million, and \$0.3 million in intergovernmental, grants, and contributions. These increases were offset by a decrease of \$0.6 million in cash and investments. Street improvement fund total liabilities increased \$0.5 million due to an increase \$0.5 million in accounts payable from FY16 to FY17.

The downtown TIF district fund was a major fund in FY17 and total fund balance decreased \$1.4 million from FY16 to FY17. Assets increased \$0.3 million due to an increase of \$0.1 million in cash and investments and \$0.2 million in property tax receivables. Total liabilities increased \$0.9 million due to an increase of \$0.9 million in advances from other funds. Deferred inflows of resources increased \$0.2 million due to an increase in unavailable property tax revenue from FY16 to FY17.

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 55. Actual spending was \$1.0 million less than the budget, which was due to actual expenses less than budget of \$0.6 million in general government, \$0.1 million in public safety, and \$0.3 million in public works.

The \$0.6 million savings in general government expenses was due to decreases of \$0.2 million in contractual services, \$0.1 million in other charges, \$0.1 million in community development personnel/contractual services, \$0.1 million in regional marketing, and \$0.1 million in public swimming pool contractual services.

The \$0.1 million savings in public safety expenses was due mainly to personnel savings relating to salaries and insurance.

The \$0.1 million savings in public safety expenses was due mainly to personnel savings relating to salaries and insurance.

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

Table 3			
General Fund Budgetary Highlights			
(in millions)			
General Fund	Original Budget	Amended Budget	Actual
Revenues			
Taxes	\$ 6.301	\$ 6.301	\$ 6.271
Intergovernmental	11.787	11.791	11.692
Other	1.890	1.890	2.207
Total	\$ 19.978	\$ 19.982	\$ 20.170
Expenditures and Transfers			
Expenditures	\$ 19.633	\$ 19.856	\$ 18.833
Transfers/Other Financing Sources (Uses)	0.610	1.909	1.909
Total	20.243	21.765	20.742
Change in Fund Balance	\$ (0.265)	\$ (1.783)	\$ (0.572)

Capital Assets

At the end of FY17, the Village had a combined total of capital assets of \$236.6 million invested in a broad range of capital assets including land, buildings, vehicles, streets, bridges, storm sewers, water mains and sanitary sewer lines. (See Table 4 below.) This amount represents a net decrease (including additions and deletions) of \$1.7 million.

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

- Reconstruction of streets for Highland Avenue for \$1.1 million
- Construction of Surrey Lane Creek and Drainage for \$1.5 million
- Downtown Streetscape Improvements for \$1.0 million
- Harper Drive Bike Path for \$0.6 million
- Woods Creek Reach 2 for \$0.6 million
- Snapper Field Basketball Court for \$0.5 million
- Roof replacement at Public Works Facility for \$0.3 million
- Randall Road Pedestrian Underpass for \$0.1 millions
- Various water and sewer improvements for \$0.2 million

Table 4						
Capital Assets at Year-End						
Net of Depreciation						
(in millions)						
	Governmental		Business-Type		Total Primary	
	Activities		Activities		Government	
	2017	2016	2017	2016	2017	2016
Land	\$ 94.68	\$ 94.68	\$ 3.64	\$ 3.64	\$ 98.32	\$ 98.32
Construction in Progress	5.76	1.24	0.21	0.07	5.97	1.31
Buildings	10.27	10.59	11.95	12.30	22.22	22.89
Vehicles and Equipment	1.30	1.11	0.37	0.36	1.67	1.47
Improvements other than Building	7.49	7.08	-	-	7.49	7.08
Streets/Storm Sewers/Bridges	63.72	66.95	-	-	63.72	66.95
Water and Sewer	-	-	37.24	40.29	37.24	40.29
Total	\$ 183.22	\$ 181.65	\$ 53.41	\$ 56.66	\$ 236.63	\$ 238.31

The following reconciliation summarizes the changes in Capital Assets which is presented in detail in Note (4).

Table 5			
Change in Capital Assets			
(in millions)			
	Governmental	Business-Type	Total
	Activities	Activities	
Beginning Balance	\$ 181.65	\$ 56.66	\$ 238.31
Additions			
Depreciable	1.75	0.10	1.85
Non-Depreciation	-	-	-
Construction in Progress	5.74	0.16	5.90
Retirements			
Depreciable	(1.38)	(0.14)	(1.52)
Non-Depreciation	-	-	-
Construction in Progress	(1.22)	(0.02)	(1.24)
Depreciation			
Retirement	(3.32)	(3.35)	(6.67)
Ending Balance	\$ 183.22	\$ 53.41	\$ 236.63

The Governmental Activities net Capital Assets net increase of \$1.6 million was due mainly to increases in construction in progress (\$4.5 million); improvements other than building (\$0.4 million); and vehicles and equipment (\$0.2 million) that were offset with decreases in streets/storm sewers/bridges (\$3.2 million) and buildings (\$0.3 million). Land remained unchanged from the previous year. Street/storm sewers/bridges decrease of \$3.2 million was due to decreases of \$0.9 million for removals and a net decrease of \$2.3 million 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 (\$3.0 million), and buildings (\$0.4 million). Land, and vehicles and equipment remained relatively unchanged. Water and sewer improvements recorded a decrease (\$3.0 million), and buildings (\$0.4 million), which was due to normal depreciation expense. These decreases were offset by an increase in construction in progress (\$0.1 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 (Ganek Municipal Center) in 1995-1996 and the Public Works Facility in 2002-2003. In December 2005, the Village authorized Bond Series 2005A for \$9,000,000 to partially finance the expansion of Phase 6 of the Wastewater Treatment Plant. Bond Series 2013 was issued for \$7,645,000 to refund Series 2005A. Bond Series 2005B was issued for \$2,935,000 to refund Series 2002B. Bond Series 2014A was issued for \$2,885,000 to refund Series 2005B. The Village has established the following five funds to accumulate monies over time to systematically construct and/or replace major assets: Motor Fuel Tax, Street Improvement, Parks, Water and Sewer Improvement and Construction, and the Village Expansion. The Village also created a Downtown TIF District Fund to account for activities associated with improvements within the established downtown TIF district. The current Home Rule Sales Tax of 0.75% was allocated as an additional revenue source for capital and infrastructure to assist in the "pay as you go" philosophy. In FY17, 100% of the Home Rule Sales Tax is allocated to the Street Improvement Fund to provide funds for continued street infrastructure maintenance and improvements.

The Village currently has two general obligation bond series. A total of \$7.655 million of general obligation bonds were outstanding at April 30, 2017. The governmental activities have \$1.780 million of general obligation bonds outstanding; business-type activities have \$5.875 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 2016 tax levy was increased by approximately 1.6% 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 FY17. The financial condition of the State government has continued to have a negative effect on the Village of Algonquin during the past few years. Since FY09, state distributions to local government have been late and distributions were one month in arrears at FY17. The FY17 state income and local use tax combined decreased by 8.2% from FY16. This was primarily due to decreases in the income tax per capita of 4.1% and a decrease in the disbursement amount of 6.5%. Current estimates indicate that the 2017 per-capita allocations will remain trending

slightly downward in FY18. The State of Illinois continues to discuss cutting the **local government's share of the state** income tax and possibly freezing property taxes for home rule communities such as the Village of Algonquin.

Construction in the local residential housing market continued to increase during FY17 (from 24 permits in 2016 to 34 in 2017). However, there was a decrease in the number of new permits for commercial construction from five permits in 2016 to two permits in 2017). **The Village's** growth in sales tax revenues, EAV, and property tax receipts continue to increase each year. Sales tax revenues increased by 0.9% from FY16 to FY17. The property tax receipts had a 3.7% increase from FY16 to FY17.

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, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 15,037,879	\$ 8,284,598	\$ 23,322,477
Investments	13,119,646	4,882,752	18,002,398
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	5,991,475	-	5,991,475
Other taxes	3,601,079	-	3,601,079
Intergovernmental, grants, and contributions	1,547,244	-	1,547,244
IPBC	75,051	-	75,051
Accrued interest	16,225	-	16,225
Accounts	12,819	929,170	941,989
Other	261,837	-	261,837
Internal balances	(132,122)	132,122	-
Prepaid items	81,683	26,326	108,009
Inventory	151,049	-	151,049
Investment in joint venture	489,977	-	489,977
Capital assets			
Nondepreciable	100,445,424	3,857,443	104,302,867
Depreciable, net of accumulated depreciation	82,778,634	49,561,443	132,340,077
Total assets	223,477,900	67,673,854	291,151,754
DEFERRED OUTFLOWS OF RESOURCES			
Pension items - Police Pension Fund	930,848	-	930,848
Pension items - IMRF	898,392	352,249	1,250,641
Deferred loss on refunding	31,526	133,376	164,902
Total deferred outflows of resources	1,860,766	485,625	2,346,391
Total assets and deferred outflows of resources	225,338,666	68,159,479	293,498,145

(This statement is continued on the following page.)

VILLAGE OF ALGONQUIN, ILLINOIS

STATEMENT OF NET POSITION (Continued)

April 30, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts payable	\$ 2,879,809	\$ 579,957	\$ 3,459,766
Accrued interest	3,473	14,861	18,334
Unearned revenue - other	176,636	-	176,636
Other liabilities	23,966	-	23,966
Noncurrent liabilities			
Due within one year	1,277,247	770,843	2,048,090
Due in more than one year	21,371,874	6,808,899	28,180,773
Total liabilities	25,733,005	8,174,560	33,907,565
DEFERRED INFLOWS OF RESOURCES			
Pension items - Police Pension Fund	2,674,929	-	2,674,929
Pension items - IMRF	465,273	182,428	647,701
Deferred property tax revenue	5,991,475	-	5,991,475
Total deferred inflows of resources	9,131,677	182,428	9,314,105
Total liabilities and deferred inflows of resources	34,864,682	8,356,988	43,221,670
NET POSITION			
Net investment in capital assets	181,389,998	47,453,693	228,843,691
Restricted for			
Donor programs	799,823	-	799,823
Insurance	640,384	-	640,384
Street maintenance	4,073,217	-	4,073,217
Capital projects	94,138	-	94,138
Cemetery	308,059	-	308,059
Debt service	618,668	808,325	1,426,993
Unrestricted	2,549,697	11,540,473	14,090,170
TOTAL NET POSITION	\$ 190,473,984	\$ 59,802,491	\$ 250,276,475

See accompanying notes to financial statements.

VILLAGE OF ALGONQUIN, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2017

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 4,950,693	\$ 1,058,488	\$ 71,778	\$ 11,000
Public safety	9,649,552	409,390	189,595	-
Public works	12,779,514	18,103	883,047	383,426
Debt service - interest and fees	46,848	-	-	-
Total governmental activities	27,426,607	1,485,981	1,144,420	394,426
Business-Type Activities				
Waterworks and sewerage	9,066,657	7,032,664	-	-
Total business-type activities	9,066,657	7,032,664	-	-
TOTAL PRIMARY GOVERNMENT	\$ 36,493,264	\$ 8,518,645	\$ 1,144,420	\$ 394,426

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (3,809,427)	\$ -	\$ (3,809,427)
	(9,050,567)	-	(9,050,567)
	(11,494,938)	-	(11,494,938)
	(46,848)	-	(46,848)
	<u>(24,401,780)</u>	-	<u>(24,401,780)</u>
	-	(2,033,993)	(2,033,993)
	-	(2,033,993)	(2,033,993)
	<u>(24,401,780)</u>	<u>(2,033,993)</u>	<u>(26,435,773)</u>
General Revenues			
Taxes			
Property	6,266,415	-	6,266,415
Home rule sales tax	4,227,205	-	4,227,205
Utility	923,668	-	923,668
Telecommunications	708,529	-	708,529
Hotel	46,005	-	46,005
Video gaming tax	115,787	-	115,787
Intergovernmental, unrestricted			
Sales and use tax	7,704,133	-	7,704,133
Personal property replacement	65,793	-	65,793
Income tax	3,579,609	-	3,579,609
Franchise fees	547,683	-	547,683
Investment income	139,744	55,540	195,284
Miscellaneous	146,656	70,358	217,014
	<u>24,471,227</u>	<u>125,898</u>	<u>24,597,125</u>
CHANGE IN NET POSITION	69,447	(1,908,095)	(1,838,648)
NET POSITION, MAY 1	<u>190,404,537</u>	<u>61,710,586</u>	<u>252,115,123</u>
NET POSITION, APRIL 30	<u>\$ 190,473,984</u>	<u>\$ 59,802,491</u>	<u>\$ 250,276,475</u>

See accompanying notes to financial statements.

VILLAGE OF ALGONQUIN, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2017

	General	Street Improvement	Downtown TIF District	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
ASSETS					
Cash and cash equivalents	\$ 6,350,912	\$ 4,998,724	\$ 162,842	\$ 3,525,401	\$ 15,037,879
Investments	7,856,741	4,519,881	-	743,024	13,119,646
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	5,600,000	-	379,975	11,500	5,991,475
Other taxes	2,424,754	1,090,650	-	85,675	3,601,079
Intergovernmental, grants, and contributions	93,286	1,203,173	-	250,785	1,547,244
IPBC	75,051	-	-	-	75,051
Accrued interest	16,225	-	-	-	16,225
Other	261,837	-	-	-	261,837
Due from other funds	101,416	-	-	-	101,416
Advance to other funds	654,390	1,048,388	-	-	1,702,778
Prepaid items	81,514	-	-	169	81,683
Total assets	23,516,126	12,860,816	542,817	4,616,554	41,536,313

(This statement is continued on the following page.)

VILLAGE OF ALGONQUIN, ILLINOIS

BALANCE SHEET (Continued)
GOVERNMENTAL FUNDS

April 30, 2017

	General	Street Improvement	Downtown TIF District	Nonmajor Governmental Funds	Total Governmental Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 716,564	\$ 1,519,245	\$ -	\$ 561,297	\$ 2,797,106
Unearned revenue	176,636	-	-	-	176,636
Advances from other funds	-	-	1,834,900	-	1,834,900
Other liabilities	23,966	-	-	-	23,966
Total liabilities	917,166	1,519,245	1,834,900	561,297	4,832,608
DEFERRED INFLOWS OF RESOURCES					
Unavailable property tax revenue	5,600,000	-	379,975	11,500	5,991,475
Total deferred inflows of resources	5,600,000	-	379,975	11,500	5,991,475
Total liabilities and deferred inflows of resources	6,517,166	1,519,245	2,214,875	572,797	10,824,083
FUND BALANCES					
Nonspendable					
Prepays	81,514	-	-	169	81,683
Advances	654,390	-	-	-	654,390
Restricted					
Donor programs	799,823	-	-	-	799,823
Insurance	640,384	-	-	-	640,384
Street maintenance	-	2,150,000	-	1,923,217	4,073,217
Capital projects	-	-	-	94,138	94,138
Cemetery	-	-	-	308,059	308,059
Debt service	-	-	-	618,668	618,668
Assigned					
Capital projects	263,236	9,191,571	-	1,099,506	10,554,313
Historic commission	8,235	-	-	-	8,235
Unrestricted					
Unassigned	14,551,378	-	(1,672,058)	-	12,879,320
Total fund balances	16,998,960	11,341,571	(1,672,058)	4,043,757	30,712,230
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 23,516,126	\$ 12,860,816	\$ 542,817	\$ 4,616,554	\$ 41,536,313

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, 2017

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 30,712,230
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	183,090,344
Deferred loss on refunding of debt is not considered to represent a financial resource and, therefore, is not reported in the governmental funds	31,526
Investment in joint venture is not considered to represent a financial resource and, therefore, is not reported in the funds	489,977
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position	113,463
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	433,119
Differences between expected and actual experiences, assumption changes, and net difference between projected and actual earnings for the Police Pension Fund are recognized as deferred outflows and inflows or resources on the statement of net position	(1,744,081)
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	(3,473)
Net other postemployment benefit obligation	(423,228)
Compensated absences	(1,062,922)
Unamortized premium	(56,469)
Capital lease	(29,117)
Net pension liability - IMRF	(3,194,352)
Net pension liability - Police Pension Plan	(16,103,033)
General obligation bonds payable	(1,780,000)
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 190,473,984</u>

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, 2017

	General	Street Improvement	Downtown TIF District	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 6,270,589	\$ 5,469,711	\$ 145,281	\$ 402,028	\$ 12,287,609
Intergovernmental, grants, and contributions	11,692,486	322,725	-	860,833	12,876,044
Charges for services	327,875	-	-	40,362	368,237
Licenses and permits	612,193	-	-	-	612,193
Fines and forfeits	459,464	-	-	-	459,464
Investment income	144,291	41,890	41	20,497	206,719
Miscellaneous	663,760	-	-	22,028	685,788
Total revenues	20,170,658	5,834,326	145,322	1,345,748	27,496,054
EXPENDITURES					
Current					
General government	4,277,517	-	953,231	33,026	5,263,774
Public safety	9,285,421	-	-	-	9,285,421
Public works	4,498,703	4,623,838	-	1,398,509	10,521,050
Capital outlay	747,059	2,475,646	29,200	606,309	3,858,214
Debt service					
Principal retirement	21,951	-	-	550,000	571,951
Interest and fiscal charges	3,106	-	-	53,210	56,316
Total expenditures	18,833,757	7,099,484	982,431	2,641,054	29,556,726
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,336,901	(1,265,158)	(837,109)	(1,295,306)	(2,060,672)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	1,299,801	-	610,000	1,909,801
Transfers (out)	(1,909,801)	-	-	-	(1,909,801)
Total other financing sources (uses)	(1,909,801)	1,299,801	-	610,000	-
NET CHANGE IN FUND BALANCES	(572,900)	34,643	(837,109)	(685,306)	(2,060,672)
FUND BALANCES, MAY 1	17,571,860	11,306,928	(834,949)	4,729,063	32,772,902
FUND BALANCES, APRIL 30	\$ 16,998,960	\$ 11,341,571	\$ (1,672,058)	\$ 4,043,757	\$ 30,712,230

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, 2017

NET CHANGE IN FUND BALANCES -	
TOTAL GOVERNMENTAL FUNDS	\$ (2,060,672)
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	6,249,709
Sales of capital assets are reported as a proceed in governmental funds but as a gain (loss) from sale on the statement of activities	(520,797)
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	550,000
Principal on capital lease	21,951
The change in the net pension liability for the Illinois Municipal Retirement Fund and the related deferred inflows and outflows are only reported in the statement of activities	(87,030)
The change in the net pension liability for the Police Pension Fund and the related deferred inflows and outflows are only reported in the statement of activities	82,332
The change in the net position of the internal service funds is reported only in the statement of activities	(17,972)
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	(4,176,898)
Change in investment in joint venture	142,466
Change in net other postemployment benefit obligation	(59,277)
Change in compensated absences	(63,833)
Change in accrued interest payable	917
Amortization of bond premium	19,361
Amortization of deferred loss on refunding	(10,810)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 69,447

See accompanying notes to financial statements.

VILLAGE OF ALGONQUIN, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

April 30, 2017

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage	Internal Service
CURRENT ASSETS		
Cash and cash equivalents	\$ 8,284,598	\$ -
Investments	4,074,427	-
Receivables		
Accounts	929,170	12,819
Prepaid items	26,326	-
Inventory	-	151,049
Restricted assets - investments	808,325	-
Total current assets	14,122,846	163,868
NONCURRENT ASSETS		
Advances to other funds	132,122	-
Capital assets		
Nondepreciable	3,857,443	-
Depreciable, net of accumulated depreciation	49,561,443	133,714
Total capital assets	53,418,886	133,714
Total noncurrent assets	53,551,008	133,714
Total assets	67,673,854	297,582
DEFERRED OUTFLOW OF RESOURCES		
Pension items - IMRF	352,249	-
Deferred loss on refunding	133,376	-
Total deferred outflow of resources	485,625	-
Total assets and deferred outflow of resources	68,159,479	297,582

(This statement is continued on the following page.)

VILLAGE OF ALGONQUIN, ILLINOIS

STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS

April 30, 2017

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage	Internal Service
CURRENT LIABILITIES		
Accounts payable	\$ 579,957	\$ 82,703
Accrued interest	14,861	-
Due to other funds	-	101,416
Current portion of long-term debt	770,843	-
	1,365,661	184,119
LONG-TERM LIABILITIES		
Long-term liabilities	6,808,899	-
	6,808,899	-
	8,174,560	184,119
DEFERRED INFLOWS OF RESOURCES		
Pension items - IMRF	182,428	-
	8,356,988	184,119
NET POSITION		
Net investment in capital assets	47,453,693	133,714
Restricted for debt service	808,325	-
Unrestricted	11,540,473	(20,251)
	\$ 59,802,491	\$ 113,463

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, 2017

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage	Internal Service
OPERATING REVENUES		
Charges for services	\$ 6,294,828	\$ -
Administrative fee	78,246	-
Infrastructure fee	659,590	-
Maintenance billings	-	1,613,548
Fleet maintenance	-	271,221
Miscellaneous	70,358	535
Contributions	-	-
Total operating revenues	<u>7,103,022</u>	<u>1,885,304</u>
OPERATING EXPENSES		
Water operations	2,670,249	-
Sewer operations	2,566,306	-
Nondepartmental	157,818	-
Building services	-	870,312
Vehicle maintenance	-	1,010,744
Depreciation	3,486,871	22,220
Total operating expenses	<u>8,881,244</u>	<u>1,903,276</u>
OPERATING INCOME (LOSS)	<u>(1,778,222)</u>	<u>(17,972)</u>
NON-OPERATING REVENUES (EXPENSES)		
Investment income	55,540	-
Interest expense and fiscal agent fees	(185,413)	-
Total non-operating revenues (expenses)	<u>(129,873)</u>	<u>-</u>
CHANGE IN NET POSITION	(1,908,095)	(17,972)
NET POSITION, MAY 1	<u>61,710,586</u>	<u>131,435</u>
NET POSITION, APRIL 30	<u><u>\$ 59,802,491</u></u>	<u><u>\$ 113,463</u></u>

See accompanying notes to financial statements.

VILLAGE OF ALGONQUIN, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended April 30, 2017

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 7,682,261	\$ 271,221
Cash received for interfund services provided	-	1,623,564
Cash paid to suppliers	(2,374,892)	(1,131,422)
Cash paid to employees	(2,881,951)	(750,091)
Other receipts (payments)	70,358	535
	<u>2,495,776</u>	<u>13,807</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Interfund activity	(116,733)	28,665
	<u>(116,733)</u>	<u>28,665</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	(241,608)	(42,472)
Interest paid on bonds	(196,625)	-
Principal paid on general obligation bond maturities	(610,000)	-
	<u>(1,048,233)</u>	<u>(42,472)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investment securities	(1,841,493)	-
Sale of investment securities	1,614,879	-
Interest received	55,540	-
	<u>(171,074)</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,159,736	-
CASH AND CASH EQUIVALENTS, MAY 1	<u>7,124,862</u>	<u>-</u>
CASH AND CASH EQUIVALENTS, APRIL 30	<u>\$ 8,284,598</u>	<u>\$ -</u>

(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, 2017

	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)	\$ (1,778,222)	\$ (17,972)
Adjustments to reconcile operating income		
(loss) to net cash from operating activities		
Depreciation and amortization	3,486,871	22,220
Changes in assets and liabilities		
Accounts receivable	(125,606)	10,016
Other receivables	770,375	-
Prepaid items	(983)	-
Inventory	-	(5,796)
Accounts payable	45,791	5,339
Pension related items	100,830	-
Compensated absences payable	(3,280)	-
NET CASH FROM OPERATING ACTIVITIES	\$ 2,495,776	\$ 13,807

See accompanying notes to financial statements.

VILLAGE OF ALGONQUIN, ILLINOIS

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

April 30, 2017

	<u>Police Pension</u>
ASSETS	
Cash and short-term investments	\$ 291,448
Investments	
U.S. Treasury securities	2,474,549
U.S. agency securities	1,968,784
Equity mutual funds	14,150,339
Equities	1,166,712
Illinois funds	238,532
Money market mutual funds	435,832
Municipal bonds	151,569
Corporate bonds	4,684,719
Receivables	
Accrued interest receivable	<u>84,701</u>
 Total assets	 <u>25,647,185</u>
LIABILITIES	
Deposits	<u>-</u>
 Total liabilities	 <u>-</u>
 NET POSITION RESTRICTED FOR PENSIONS	 <u><u>\$ 25,647,185</u></u>

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, 2017

ADDITIONS

Contributions	
Employer	\$ 1,837,000
Employee	423,716
	<hr/>
Total contributions	2,260,716
	<hr/>
Investment income	
Net appreciation in fair value of investments	1,635,000
Interest	560,864
	<hr/>
Total investment income	2,195,864
	<hr/>
Less investment expense	(93,997)
	<hr/>
Net investment income	2,101,867
	<hr/>
Total additions	4,362,583

DEDUCTIONS

Benefits and refunds	971,371
Administration	40,032
	<hr/>
Total deductions	1,011,403

NET INCREASE 3,351,180

**NET POSITION RESTRICTED
FOR PENSIONS**

May 1	<hr/>
	22,296,005
	<hr/>
April 30	\$ 25,647,185
	<hr/>

See accompanying notes to financial statements.

VILLAGE OF ALGONQUIN, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Reporting Entity

The Village is a municipal corporation governed by an elected Village President and six-member Village Board of Trustees. As required by GAAP, these financial statements present the Village and its component units, legally separate entities for which the Village is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the Village's operations and so data from these units are combined with data of the primary government. In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was based upon the significance of its operational or financial relationship with the primary government. There are no component units that are required to be included in the Village's basic financial statements.

b. Fund Accounting

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

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

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

c. Government-Wide and Fund Financial Statements

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

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

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

The Village reports the following major governmental funds:

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The Village reports the following major proprietary fund:

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

The Village reports on the following internal service funds:

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

The Village reports unavailable/deferred revenue and unearned revenue on its financial statements. Unavailable/deferred revenues arise when a potential revenue does not meet the measurable and available or earned criteria for recognition in the current period. Unearned revenues arise when resources are received by the Village before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the deferred inflow for unavailable/deferred revenue or the liability for unearned revenue is removed from the financial statements and revenue is recognized.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash and Investments

Cash and Cash Equivalents

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

Investments

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

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

f. Interfund Receivables/Payables

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

g. Prepaid Items/Expenses and Inventory

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Capital Assets

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Fund Balance/Net Position

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

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

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

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

k. Long-Term Obligations

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Long-Term Obligations (Continued)

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

l. Interfund Transactions

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

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

m. Deferred Outflows/Inflows of Resources

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

n. Use of Estimates

The preparation of financial statements in conformity with 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. Investments in Illinois Funds are valued at Illinois Funds' share price, the price for which the investment could be sold.

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, 2017, the Village was not exposed to custodial credit risk as all deposits were either insured or collateralized with investments held by the Village or its agent, in the Village's name.

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

2. DEPOSITS AND INVESTMENTS (Continued)

a. Village Deposits and Investments (Continued)

Investments

The following table presents the investments and maturities of the Village's debt securities as of April 30, 2017:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury securities	\$ 120,136	\$ 89,925	\$ 30,211	\$ -	\$ -
U.S. agency securities	2,066,063	285,224	979,141	429,277	372,421
Municipal bonds	257,746	46,035	211,711	-	-
Negotiable certificates of deposit	1,612,113	283,252	1,328,861	-	-
TOTAL	\$ 4,056,058	\$ 704,436	\$ 2,549,924	\$ 429,277	\$ 372,421

The Village has the following recurring fair value measurements as of April 30, 2017. The U.S. agency securities, U.S. Treasury securities, municipal bonds, and negotiable CDs are valued using quoted matrix pricing models (Level 2 inputs). The IMET 1 to 3 Year fund, a mutual fund, is measured based on the net asset value of the shares in IMET, which is based on the fair value of the underlying investments in the mutual fund (Level 3 input).

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.

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 U.S. agency securities have ratings from AA+ to AAA. The Village's Municipal Bonds have ratings from AA to AA-. The negotiable certificates of deposit are not rated.

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

2. DEPOSITS AND INVESTMENTS (Continued)

a. Village Deposits and Investments (Continued)

Investments (Continued)

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Village's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by an independent third party custodian and evidenced by safekeeping receipts and a written custodial agreement. 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 2016 levy year attach as an enforceable lien on January 1, 2016, 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, 2017 and August 1, 2017, and are payable in two installments, on or about June 1, 2017 and September 1, 2017. 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 2016 taxes are intended to finance the 2018 fiscal year and are not considered available for current operations and are, therefore, shown as unavailable/deferred revenue. The 2017 tax levy has not been recorded as a receivable at April 30, 2017, as the tax attached as a lien on property as of January 1, 2017; however, the tax will not be levied until December 2017 and, accordingly, is not measurable at April 30, 2017.

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

4. CAPITAL ASSETS

Capital Assets

Capital asset activity for the year ended April 30, 2017 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 94,685,873	\$ -	\$ -	\$ 94,685,873
Construction in progress	1,238,916	5,741,495	1,220,860	5,759,551
Total capital assets not being depreciated	95,924,789	5,741,495	1,220,860	100,445,424
Capital assets being depreciated				
Buildings	15,976,573	-	-	15,976,573
Improvements other than buildings	15,822,693	1,220,860	-	17,043,553
Vehicles and equipment	6,512,332	528,464	440,812	6,599,984
Streets/storm sewers/bridges	111,225,871	-	942,846	110,283,025
Total capital assets being depreciated	149,537,469	1,749,324	1,383,658	149,903,135
Less accumulated depreciation for				
Buildings	5,390,131	319,008	-	5,709,139
Improvements other than buildings	8,747,560	807,408	-	9,554,968
Vehicles and equipment	5,399,751	333,108	437,332	5,295,527
Streets/storm sewers/bridges	44,273,022	2,717,374	425,529	46,564,867
Total accumulated depreciation	63,810,464	4,176,898	862,861	67,124,501
Total capital assets being depreciated, net	85,727,005	(2,427,574)	520,797	82,778,634
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET				
	\$ 181,651,794	\$ 3,313,921	\$ 1,741,657	\$ 183,224,058
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 3,644,048	\$ -	\$ -	\$ 3,644,048
Construction in progress	72,094	159,259	17,958	213,395
Total capital assets not being depreciated	3,716,142	159,259	17,958	3,857,443
Capital assets being depreciated				
Water and sewer system	92,710,861	-	-	92,710,861
Buildings	17,403,306	-	-	17,403,306
Vehicles and equipment	1,361,219	100,307	135,077	1,326,449
Total capital assets being depreciated	111,475,386	100,307	135,077	111,440,616
Less accumulated depreciation for				
Water and sewer system	52,417,163	3,051,171	-	55,468,334
Buildings	5,107,973	348,066	-	5,456,039
Vehicles and equipment	1,002,243	87,634	135,077	954,800
Total accumulated depreciation	58,527,379	3,486,871	135,077	61,879,173
Total capital assets being depreciated, net	52,948,007	(3,386,564)	-	49,561,443
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET				
	\$ 56,664,149	\$ (3,227,305)	\$ 17,958	\$ 53,418,886

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	\$ 245,595
Public safety	65,737
Highways and streets	<u>3,865,566</u>
TOTAL DEPRECIATION EXPENSE -	
GOVERNMENTAL ACTIVITIES	<u>\$ 4,176,898</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, 2016, 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 \$579,551 to SEECOM during fiscal year 2017. In addition, the Village’s equity interest in the joint venture’s net position of \$489,977 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	\$ 2,330,000	\$ -	\$ 550,000	\$ 1,780,000	\$ 565,000
\$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	6,485,000	-	610,000	5,875,000	630,000
TOTAL GENERAL OBLIGATION BONDS		\$ 8,815,000	\$ -	\$ 1,160,000	\$ 7,655,000	\$ 1,195,000

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
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	\$ 1,780,000	\$ 87,425	\$ 5,875,000	\$ 845,950

c. Changes in Long-Term Liabilities

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

	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
General obligation bonds payable	\$ 2,330,000	\$ -	\$ 550,000	\$ 1,780,000	\$ 565,000
Unamortized premium	75,830	-	19,361	56,469	-
Capital lease	51,068	-	21,951	29,117	23,138
Compensated absences*	999,090	1,466,619	1,402,787	1,062,922	689,109
Net pension liability (IMRF)*	3,638,054	-	443,702	3,194,352	-
Net pension liability (Police Pension)*	18,249,893	-	2,146,860	16,103,033	-
Net OPEB obligation*	363,951	59,277	-	423,228	-
TOTAL	\$ 25,707,886	\$ 1,525,896	\$ 4,584,661	\$ 22,649,121	\$ 1,277,247

*These liabilities are generally retired by the General Fund.

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

7. LONG-TERM DEBT (Continued)

c. Changes in Long-Term Liabilities

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	Issuances	Retirements	Balances April 30	Current Portion
General obligation bonds payable	\$ 6,485,000	\$ -	\$ 610,000	\$ 5,875,000	\$ 630,000
Unamortized premium	248,642	-	25,073	223,569	-
Compensated absences payable	231,986	290,171	293,451	228,706	140,843
Net pension liability (IMRF)	1,335,688	-	83,221	1,252,467	-
TOTAL	\$ 8,301,316	\$ 290,171	\$ 1,011,745	\$ 7,579,742	\$ 770,843

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, 2017 are as follows:

Fiscal Year	Future Obligations
2018	\$ 24,120
2019	6,032
Subtotal	30,152
Less interest	(1,035)
PRESENT VALUE OF MINIMUM LEASE PAYMENTS	\$ 29,117

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

8. INDIVIDUAL FUND DISCLOSURES

Individual fund amounts due to other funds were as follows:

Fund	Due from	Due to
General	\$ 101,416	\$ -
Internal Service Funds	-	101,416
TOTAL	\$ 101,416	\$ 101,416

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	\$ 654,390	\$ -
Street Improvement Fund	1,048,388	-
Nonmajor Governmental	-	1,834,900
Water and Sewer	132,122	-
TOTAL	\$ 1,834,900	\$ 1,834,900

The purposes of significant advances are as follows:

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

Individual fund transfers were as follows:

Fund	Transfers In	Transfers Out
General	\$ -	\$ 1,909,801
Debt Service	610,000	-
Street Improvement	1,299,801	-
TOTAL	\$ 1,909,801	\$ 1,909,801

The purposes of significant transfers are as follows:

- The General Fund transferred monies to the Debt Service Fund for upcoming debt service payments made out of that fund.
- The General Fund transferred monies to the Street Improvement Fund for future street improvements.

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, 2016, 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	94
 TOTAL	 188

Benefits Provided

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

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

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

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution for the fiscal year ended April 30, 2017 was 11.52% 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, 2016 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, 2016
Actuarial cost method	Entry-age Normal
Assumptions	
Inflation	2.75%
Salary increases	3.75% to 14.50%
Interest rate	7.50%
Cost of living adjustments	3.00%
Asset valuation method	Market value

For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2016	\$ 26,092,665	\$ 21,118,923	\$ 4,973,742
Changes for the period			
Service cost	727,336	-	727,336
Interest	1,956,191	-	1,956,191
Difference between expected and actual experience	(547,368)	-	(547,368)
Changes in assumptions	(82,880)	-	(82,880)
Employer contributions	-	745,680	(745,680)
Employee contributions	-	295,560	(295,560)
Net investment income	-	1,484,262	(1,484,262)
Benefit payments and refunds	(608,099)	(608,099)	-
Administrative expense	-	54,700	(54,700)
Net changes	1,445,180	1,972,103	(526,923)
BALANCES AT DECEMBER 31, 2016	\$ 27,537,845	\$ 23,091,026	\$ 4,446,819

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

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

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

For the year ended December 31, 2016, the Village recognized pension expense of \$105,528.

At April 30, 2017, 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	\$ -	\$ 577,534
Changes in assumption	28,597	70,167
Contributions made between January 1, 2017 and April 30, 2017	247,313	-
Net difference between projected and actual earnings on pension plan investments	974,731	-
TOTAL	\$ 1,250,641	\$ 647,701

\$247,313 reported as deferred outflows of resources related to Village contributions subsequent to the measurement date and will be recognized as a reduction of net pension liability in the reporting year ending April 30, 2018. 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 April 30,	
2018	\$ 202,721
2019	202,721
2020	202,720
2021	(90,735)
2022	(111,596)
Thereafter	(50,204)
TOTAL	\$ 355,627

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 7.5% 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 (6.5%) or 1 percentage point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net pension liability	\$ 8,978,918	\$ 4,446,819	\$ 820,870

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, 2017, the measurement date, the Police Pension Plan membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	16
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	<u>46</u>
 TOTAL	 <u><u>63</u></u>

Benefits Provided

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% 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 \$117,213, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5% of such salary for

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided (Continued)

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

Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. However, the Village has elected to fund 100% of the past service cost. For the year ended April 30, 2017, the Village's contribution was 43.20% 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).

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, 2017.

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.

Investment Valuations

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

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.

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Rate of Return

For the year ended April 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.37%. 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, 2017, all of the Fund's bank balances were collateralized in accordance with their investment policy.

Interest Rate Risk

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

The following table presents the investments and maturities of the Fund's debt securities and money market mutual funds as of April 30, 2017:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 2,474,549	\$ 356,140	\$ 542,462	\$ 833,832	\$ 742,115
U.S. agency obligations	1,968,784	304,920	297,671	409,344	956,849
Corporate bonds	4,684,719	158,880	2,582,501	1,408,849	534,489
State and local obligations	151,569	14,993	100,922	35,654	-
TOTAL	\$ 9,279,621	\$ 834,933	\$ 3,523,556	\$ 2,687,679	\$ 2,233,453

The Fund has the following recurring fair value measurements as of April 30, 2017.

The U.S. Treasury obligations, equity mutual funds, and equity securities are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. agency obligations, state and local obligations, and corporate bonds are valued using quoted matrix pricing models (Level 2 inputs).

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Credit Risk

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

Concentration of Credit Risk

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

Custodial Credit Risk

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

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The Fund's funding policy is to have the Fund reach a funded ratio of 100% by April 30, 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.

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Changes in Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT MAY 1, 2016	\$ 40,545,898	\$ 22,296,005	\$ 18,249,893
Changes for the period			
Service cost	1,038,677	-	1,038,677
Interest	2,704,064	-	2,704,064
Difference between expected and actual experience	(328,182)	-	(328,182)
Changes in assumptions	(1,238,868)	-	(1,238,868)
Employer contributions	-	1,837,000	(1,837,000)
Employee contributions	-	423,716	(423,716)
Net investment income	-	2,101,867	(2,101,867)
Benefit payments and refunds	(971,371)	(971,371)	-
Administrative expense	-	(40,032)	40,032
Net changes	1,204,320	3,351,180	(2,146,860)
BALANCES AT APRIL 31, 2017	\$ 41,750,218	\$ 25,647,185	\$ 16,103,033

There was a change with respect to actuarial assumptions from the prior year to update the mortality assumption to include mortality improvements as stated in the most recently released MP-2016 table. In addition, the rates are being applied on a fully-generational basis.

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, 2017 using the following actuarial methods and assumptions.

Actuarial valuation date	April 30, 2017
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	\$ 23,978,262	\$ 16,103,033	\$ 9,893,005

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, 2017, the Village recognized police pension expense of \$1,754,668. At April 30, 2017, 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	\$ -	\$ 518,454
Changes in assumption	-	1,712,615
Net difference between projected and actual earnings on pension plan investments	<u>930,848</u>	<u>443,860</u>
TOTAL	<u>\$ 930,848</u>	<u>\$ 2,674,929</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>	
2018	\$ (57,347)
2019	(57,347)
2020	(57,347)
2021	(367,630)
2022	(256,665)
Thereafter	<u>(947,745)</u>
TOTAL	<u>\$ (1,744,081)</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, 2017 (census date), membership consisted of:

Actives fully eligible to retire	16
Actives not yet fully eligible to retire	118
Retirees	11
TOTAL	145
Participating employers	1

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
2017	\$ 122,548	\$ 63,271	51.63%	\$ 423,228
2016	64,902	41,892	64.55%	363,951
2015	101,427	15,548	15.30%	340,941

The net OPEB obligation (NOPEBO) as of April 30, 2017 was calculated as follows:

Annual required contribution	\$ 127,551
Interest on net OPEB obligation	16,378
Adjustment to annual required contribution	<u>(21,381)</u>
Annual OPEB cost	122,548
Contributions made	<u>63,271</u>
Increase in net OPEB obligation	59,277
Net OPEB obligation, beginning of year	<u>363,951</u>
NET OPEB OBLIGATION, END OF YEAR	<u><u>\$ 423,228</u></u>

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

f. Funded Status and Funding Progress

The funded status of the Plan as of April 30, 2016 was as follows:

Actuarial accrued liability (AAL)	\$ 1,453,154
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	1,453,154
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$ 10,518,859
UAAL as a percentage of covered payroll	13.81%

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, 2016 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 6.0% to 7.5% and 5.0%, 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.

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, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Taxes	\$ 6,301,000	\$ 6,301,000	\$ 6,270,589
Intergovernmental, grants, and contributions	11,787,500	11,791,280	11,692,486
Charges for services	292,400	292,400	327,875
Licenses and permits	565,000	565,000	612,193
Fines and forfeits	371,000	371,000	459,464
Investment income	88,500	88,500	144,291
Miscellaneous	573,600	573,600	663,760
	<hr/>		
Total revenues	19,979,000	19,982,780	20,170,658
EXPENDITURES			
Current			
General government	4,826,390	4,851,167	4,277,517
Public safety	9,514,200	9,389,680	9,285,421
Public works	4,720,000	4,780,105	4,498,703
Debt service			
Capital lease principal	22,000	22,000	21,951
Interest and fiscal charges	3,010	3,010	3,106
Capital outlay	547,900	810,294	747,059
	<hr/>		
Total expenditures	19,633,500	19,856,256	18,833,757
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	345,500	126,524	1,336,901
OTHER FINANCING SOURCES (USES)			
Transfers in	165,800	165,800	123,629
Transfers (out)	(775,800)	(2,075,601)	(2,033,430)
	<hr/>		
Total other financing sources (uses)	(610,000)	(1,909,801)	(1,909,801)
NET CHANGE IN FUND BALANCE			
	<u>\$ (264,500)</u>	<u>\$ (1,783,277)</u>	(572,900)
FUND BALANCE, MAY 1			
			<u>17,571,860</u>
FUND BALANCE, APRIL 30			
			<u>\$ 16,998,960</u>

(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, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	\$ 19,995	\$ 19,995	\$ 145,281
Investment income	5	5	41
Total revenues	20,000	20,000	145,322
EXPENDITURES			
General government			
Legal services	10,000	10,000	778
Professional services	40,000	40,000	-
Engineering services	40,000	40,000	952,190
Postage	-	-	-
Infrastructure maintenance	-	-	-
Economic development	-	-	263
Capital outlay	-	-	29,200
Total expenditures	90,000	90,000	982,431
NET CHANGE IN FUND BALANCE	\$ (70,000)	\$ (70,000)	(837,109)
FUND BALANCE (DEFICIT), MAY 1			(834,949)
FUND BALANCE (DEFICIT), APRIL 30			\$ (1,672,058)

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFIT PLAN

April 30, 2017

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)
2012	N/A	N/A	N/A	N/A	N/A	N/A
2013	\$ -	\$ 1,007,466	0.00%	\$ 1,007,466	\$ 10,816,821	9.31%
2014	N/A	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A	N/A
2016	-	1,453,154	0.00%	1,453,154	10,518,859	13.81%
2017	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**

Last Two Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2016	2017
Actuarially determined contribution	\$ 753,644	\$ 745,068
Contributions in relation to the actuarially determined contribution	<u>(753,644)</u>	<u>(745,068)</u>
CONTRIBUTION DEFICIENCY (Excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 6,631,156	\$ 6,465,839
Contributions as a percentage of covered-employee payroll	11.37%	11.52%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of December 31, 2016. Additional information as of the latest valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization period was 27 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.75% to 14.50% compounded annually, and postretirement benefit increases of 3.50% compounded annually.

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

VILLAGE OF ALGONQUIN, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Actuarially determined contribution	\$ 444,960	\$ 676,838	\$ 768,620	\$ 916,506	\$ 933,392	\$ 987,225	\$ 1,010,427	\$ 1,178,898	\$ 1,239,425	\$ 1,836,961
Contributions in relation to the actuarially determined contribution	445,268	677,063	767,532	916,349	937,750	978,923	1,025,000	1,179,000	1,240,000	1,837,000
CONTRIBUTION DEFICIENCY (Excess)	\$ (308)	\$ (225)	\$ 1,088	\$ 157	\$ (4,358)	\$ 8,302	\$ (14,573)	\$ (102)	\$ (575)	\$ (39)
Covered-employee payroll	\$ 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	\$ 4,250,692
Contributions as a percentage of covered-employee payroll	12.6%	17.8%	19.9%	22.9%	22.6%	23.2%	24.4%	28.4%	30.4%	43.2%

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 25 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, 2017

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution</u>	<u>Percentage</u>
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%
2017	63,271	127,551	49.60%

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

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

Last Two Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2015	2016
TOTAL PENSION LIABILITY		
Service cost	\$ 756,829	\$ 727,336
Interest	1,819,378	1,956,191
Changes of benefit terms	-	-
Differences between expected and actual experience	(161,237)	(547,368)
Changes of assumptions	40,403	(82,880)
Benefit payments, including refunds of member contributions	<u>(550,096)</u>	<u>(608,099)</u>
Net change in total pension liability	1,905,277	1,445,180
Total pension liability - beginning	<u>24,187,388</u>	<u>26,092,665</u>
TOTAL PENSION LIABILITY - ENDING	<u>\$ 26,092,665</u>	<u>\$ 27,537,845</u>
PLAN FIDUCIARY NET POSITION		
Contributions - employer	\$ 773,192	\$ 745,680
Contributions - member	304,371	295,560
Net investment income	106,029	1,484,262
Benefit payments, including refunds of member contributions	(550,096)	(608,099)
Administrative expense	<u>(456,684)</u>	<u>54,700</u>
Net change in plan fiduciary net position	176,812	1,972,103
Plan fiduciary net position - beginning	<u>20,942,111</u>	<u>21,118,923</u>
PLAN FIDUCIARY NET POSITION - ENDING	<u>\$ 21,118,923</u>	<u>\$ 23,091,026</u>
EMPLOYER'S NET PENSION LIABILITY	<u>\$ 4,973,742</u>	<u>\$ 4,446,819</u>
Plan fiduciary net position as a percentage of the total pension liability	80.94%	83.85%
Covered-employee payroll	\$ 6,631,156	\$ 6,484,170
Employer's net pension liability as a percentage of covered-employee payroll	75.00%	68.60%

Notes to Required Supplementary Information

There was a change with respect to actuarial assumptions from 2014 to 2015 to reflect revised expectations with respect to mortality rates, disability rates, turnover rates, and retirement rates. There was a change in the discount rate assumption from 2015 to 2016.

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

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

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

Last Three Fiscal Years

MEASUREMENT DATE APRIL 30,	2015	2016	2017
TOTAL PENSION LIABILITY			
Service cost	\$ 806,170	\$ 861,719	\$ 1,038,677
Interest	2,306,932	2,602,515	2,704,064
Changes of benefit terms	-	-	-
Differences between expected and actual experience	481,935	(277,976)	(328,182)
Changes of assumptions	2,726,115	(744,218)	(1,238,868)
Benefit payments, including refunds of member contributions	(539,305)	(903,832)	(971,371)
Net change in total pension liability	5,781,847	1,538,208	1,204,320
Total pension liability - beginning	33,225,843	39,007,690	40,545,898
TOTAL PENSION LIABILITY - ENDING	\$ 39,007,690	\$ 40,545,898	\$ 41,750,218
PLAN FIDUCIARY NET POSITION			
Contributions - employer	\$ 1,179,000	\$ 1,240,000	\$ 1,837,000
Contributions - member	415,618	450,578	423,716
Net investment income	1,125,257	(67,703)	2,101,867
Benefit payments, including refunds of member contributions	(539,305)	(903,832)	(971,371)
Administrative expense	(27,755)	(28,723)	(40,032)
Net change in plan fiduciary net position	2,152,815	690,320	3,351,180
Plan fiduciary net position - beginning	19,452,870	21,605,685	22,296,005
PLAN FIDUCIARY NET POSITION - ENDING	\$ 21,605,685	\$ 22,296,005	\$ 25,647,185
EMPLOYER'S NET PENSION LIABILITY	\$ 17,402,005	\$ 18,249,893	\$ 16,103,033
Plan fiduciary net position as a percentage of the total pension liability	55.39%	54.99%	61.43%
Covered-employee payroll	\$ 4,151,265	\$ 4,077,186	\$ 4,250,692
Employer's net pension liability as a percentage of covered-employee payroll	419.20%	447.60%	378.80%

Notes to Required Supplementary Information

2014-2015: There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, disability rates, turnover rates, and retirement rates. 2015-2016: The discount rate used in the determination of the total pension liability was changed from 7.00% to 6.75%. Additionally, there was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, mortality improvement rates, retirement rates, disability rates, and termination rates.

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

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

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

**SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND**

Last Three Fiscal Years

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

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

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2017

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 except for the SSA #1 Fund. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year end.

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

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

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

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

2. EXPENDITURES OVER BUDGET OF INDIVIDUAL FUNDS

The following funds had expenditures that exceeded budget:

Fund	Final Budget	Expenditures
Downtown TIF District Fund	\$ 90,000	\$ 982,431
Building Service Fund	808,500	870,312

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

MAJOR GOVERNMENTAL FUNDS

VILLAGE OF ALGONQUIN, ILLINOIS

COMBINING BALANCE SHEET
GENERAL FUND - BY ACCOUNT

April 30, 2017

	Operating	Public Swimming Pool	Special Revenue	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS				
Cash and cash equivalents	\$ 5,723,364	\$ 9,371	\$ 618,177	\$ 6,350,912
Investments	7,483,292	-	373,449	7,856,741
Receivables				
Property tax	5,600,000	-	-	5,600,000
Other taxes	2,417,619	-	7,135	2,424,754
Intergovernmental, grants, and contributions	93,286	-	-	93,286
IPBC	75,051	-	-	75,051
Accrued interest	16,225	-	-	16,225
Other	261,837	-	-	261,837
Due from other funds	101,416	-	-	101,416
Advance to other funds	654,390	-	-	654,390
Prepaid items	80,473	1,041	-	81,514
TOTAL ASSETS	22,506,953	10,412	998,761	23,516,126
DEFERRED OUTFLOWS OF RESOURCES				
None	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 22,506,953	\$ 10,412	\$ 998,761	\$ 23,516,126
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 666,221	\$ 1,339	\$ 49,004	\$ 716,564
Unearned revenue	112,360	10,456	53,820	176,636
Other liabilities	23,966	-	-	23,966
Total liabilities	802,547	11,795	102,824	917,166
DEFERRED INFLOWS OF RESOURCES				
Unavailable property tax revenue	5,600,000	-	-	5,600,000
Total liabilities and deferred inflows of resources	6,402,547	11,795	102,824	6,517,166
FUND BALANCES				
Nonspendable				
Prepays	80,473	1,041	-	81,514
Advances	654,390	-	-	654,390
Restricted				
Insurance	640,384	-	-	640,384
Donor programs	240,214	-	559,609	799,823
Assigned				
Capital projects	263,236	-	-	263,236
Special purpose	8,235	-	-	8,235
Unassigned (deficit)	14,217,474	(2,424)	336,328	14,551,378
Total fund balances (deficit)	16,104,406	(1,383)	895,937	16,998,960
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 22,506,953	\$ 10,412	\$ 998,761	\$ 23,516,126

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

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

For the Year Ended April 30, 2017

	Operating	Public Swimming Pool	Special Revenue	Eliminations	Total
REVENUES					
Taxes	\$ 6,224,584	\$ -	\$ 46,005	\$ -	\$ 6,270,589
Intergovernmental, grants, and contributions	11,727,047	-	(34,561)	-	11,692,486
Charges for services	239,548	88,327	-	-	327,875
Licenses and permits	612,193	-	-	-	612,193
Fines and forfeits	459,464	-	-	-	459,464
Investment income	140,247	15	4,029	-	144,291
Miscellaneous	637,568	26,192	-	-	663,760
Total revenues	20,040,651	114,534	15,473	-	20,170,658
EXPENDITURES					
Current					
General government	4,059,902	204,903	12,712	-	4,277,517
Public safety	9,285,421	-	-	-	9,285,421
Public works	4,475,388	-	23,315	-	4,498,703
Debt service					
Principal	21,951	-	-	-	21,951
Interest and fiscal charges	3,106	-	-	-	3,106
Capital outlay	747,059	-	-	-	747,059
Total expenditures	18,592,827	204,903	36,027	-	18,833,757
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,447,824	(90,369)	(20,554)	-	1,336,901
OTHER FINANCING SOURCES (USES)					
Transfers in	35,000	88,629	-	(123,629)	-
Transfers (out)	(1,698,629)	-	(334,801)	123,629	(1,909,801)
Total other financing sources (uses)	(1,663,629)	88,629	(334,801)	-	(1,909,801)
NET CHANGE IN FUND BALANCES	(215,805)	(1,740)	(355,355)	-	(572,900)
FUND BALANCES, MAY 1	16,320,211	357	1,251,292	-	17,571,860
FUND BALANCES, APRIL 30	\$ 16,104,406	\$ (1,383)	\$ 895,937	\$ -	\$ 16,998,960

(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, 2017

	Original Budget	Final Budget	Actual
TAXES			
Property taxes			
General	\$ 664,000	\$ 664,000	\$ 661,457
Road and bridge	390,000	390,000	395,103
Social Security	550,000	550,000	547,893
Insurance	500,000	500,000	498,081
IMRF	400,000	400,000	398,465
School crossing	18,000	18,000	17,928
Police protection	1,757,000	1,757,000	1,750,264
ESDA	5,000	5,000	4,984
Police pension	1,837,000	1,837,000	1,829,959
Telecommunications tax	130,000	130,000	120,450
Total taxes	<u>6,251,000</u>	<u>6,251,000</u>	<u>6,224,584</u>
LICENSES AND PERMITS			
Liquor licenses	115,000	115,000	129,034
Building permits	400,000	400,000	419,176
Miscellaneous licenses	50,000	50,000	63,983
Total licenses and permits	<u>565,000</u>	<u>565,000</u>	<u>612,193</u>
INTERGOVERNMENTAL, GRANTS AND CONTRIBUTIONS			
Income tax	3,800,000	3,800,000	3,579,609
Sales tax	7,600,000	7,600,000	7,704,133
Personal property replacement tax	60,000	60,000	65,793
Intergovernmental agreements	112,500	112,500	132,962
Grants - operating, public safety, general	-	-	74,899
Contributions	125,000	128,780	169,651
Total intergovernmental, grants, and contributions	<u>11,697,500</u>	<u>11,701,280</u>	<u>11,727,047</u>
CHARGES FOR SERVICES			
Building and zoning	7,000	7,000	9,980
Platting fees	2,000	2,000	-
Police training reimbursement	1,000	1,000	-
Park usage fees	12,500	12,500	10,105
Recreation programs	100,000	100,000	106,612
Site development fee	1,000	1,000	990
Public art impact fee	1,000	1,000	1,270

(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, 2017

	Original Budget	Original Budget	Original Budget
CHARGES FOR SERVICES (Continued)			
Rental income	\$ 53,000	\$ 53,000	\$ 79,609
Outsourced service fees	20,000	20,000	29,279
Historical commission	400	400	950
Subdivision signs	500	500	753
	<hr/>	<hr/>	<hr/>
Total charges for services	198,400	198,400	239,548
FINES AND FORFEITS			
County court and drug fines	197,500	197,500	180,867
County prosecution fines	17,000	17,000	15,666
Police fines	10,000	10,000	29,210
Restitution - court cases	4,000	4,000	22,714
Police accident reports	4,500	4,500	4,527
Reports, maps, and ordinance	1,500	1,500	721
Building permit fines	15,000	15,000	20,720
Towing and storage	30,000	30,000	44,528
Traffic light enforcement	-	-	30,061
Municipal fines	90,000	90,000	103,785
Maintenance fee	1,500	1,500	6,435
Administrative fees	-	-	230
	<hr/>	<hr/>	<hr/>
Total fines and forfeits	371,000	371,000	459,464
INVESTMENT INCOME			
	86,000	86,000	140,247
MISCELLANEOUS			
Cable TV franchise fees	520,000	520,000	547,683
Other receipts	31,100	31,100	89,885
	<hr/>	<hr/>	<hr/>
Total miscellaneous	551,100	551,100	637,568
TOTAL REVENUES			
	<hr/>	<hr/>	<hr/>
	\$ 19,720,000	\$ 19,723,780	\$ 20,040,651

(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, 2017

	Original Budget	Final Budget	Actual
CURRENT			
General government			
Administration			
Personnel	\$ 1,401,200	\$ 1,401,200	\$ 1,372,338
Commodities	293,400	305,750	294,147
Contractual services	973,200	1,011,695	852,842
Other charges	323,500	297,432	151,848
Total administration	<u>2,991,300</u>	<u>3,016,077</u>	<u>2,671,175</u>
Community development			
Personnel	1,245,500	1,246,500	1,207,855
Commodities	58,100	59,100	45,668
Contractual services	158,500	158,500	122,377
Other charges	22,690	20,690	12,827
Total community development	<u>1,484,790</u>	<u>1,484,790</u>	<u>1,388,727</u>
Total general government	<u>4,476,090</u>	<u>4,500,867</u>	<u>4,059,902</u>
Public safety			
Police department			
Personnel	6,131,000	6,045,000	5,976,576
Commodities	307,500	263,950	242,415
Contractual services	1,136,200	1,139,950	1,132,313
Other charges	1,939,500	1,940,780	1,934,117
Total public safety	<u>9,514,200</u>	<u>9,389,680</u>	<u>9,285,421</u>
Public works			
Public works administration			
Personnel	285,300	285,300	266,644
Commodities	16,200	20,585	18,002
Contractual services	76,700	62,915	86,377
Other charges	12,700	12,600	6,844
Total public works administration	<u>390,900</u>	<u>381,400</u>	<u>377,867</u>

(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, 2017

	Original Budget	Final Budget	Actual
CURRENT (Continued)			
Public works (Continued)			
Streets department			
Personnel	\$ 2,359,200	\$ 2,359,200	\$ 2,284,635
Commodities	404,500	472,405	379,568
Contractual services	1,486,500	1,488,200	1,402,072
Other charges	38,900	38,900	31,246
	<hr/>	<hr/>	<hr/>
Total streets department	4,289,100	4,358,705	4,097,521
	<hr/>	<hr/>	<hr/>
Total public works	4,680,000	4,740,105	4,475,388
	<hr/>	<hr/>	<hr/>
Debt service			
Principal	22,000	22,000	21,951
Interest and fiscal charges	3,010	3,010	3,106
	<hr/>	<hr/>	<hr/>
Total debt service	25,010	25,010	25,057
	<hr/>	<hr/>	<hr/>
Capital outlay			
General government	167,900	293,994	235,196
Public works	255,000	248,000	244,503
Public safety	125,000	268,300	267,360
	<hr/>	<hr/>	<hr/>
Total capital outlay	547,900	810,294	747,059
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	\$ 19,243,200	\$ 19,465,956	\$ 18,592,827
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

(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, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Charges for services			
Swimming pool fees	\$ 37,500	\$ 37,500	\$ 30,275
Swimming daily fees	27,500	27,500	25,891
Swimming lessons	21,000	21,000	23,010
Concessions	8,000	8,000	9,151
Investment income	-	-	15
Miscellaneous	22,500	22,500	26,192
Total revenues	116,500	116,500	114,534
EXPENDITURES			
General government			
Personnel	85,750	85,750	76,596
Commodities	9,750	10,749	7,489
Contractual services	147,150	147,601	118,213
Other	4,650	3,200	2,605
Total expenditures	247,300	247,300	204,903
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(130,800)	(130,800)	(90,369)
OTHER FINANCING SOURCES (USES)			
Transfers in	130,800	130,800	88,629
Total other financing sources (uses)	130,800	130,800	88,629
NET CHANGE IN FUND BALANCE	\$ -	\$ -	(1,740)
FUND BALANCE, MAY 1			357
FUND BALANCE (DEFICIT), APRIL 30			\$ (1,383)

(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, 2017

	Original Budget	Final Budget	Actual
CURRENT			
General government			
Personnel			
Salary of pool employees	\$ 79,000	\$ 79,000	\$ 70,596
FICA	6,050	6,050	5,400
SUI	700	700	600
Total personnel	85,750	85,750	76,596
Commodities			
Office supplies	450	649	396
Concessions	5,200	5,200	4,921
IT equipment and supplies	2,400	3,200	621
Small tools and equipment	1,700	1,700	1,551
Total commodities	9,750	10,749	7,489
Contractual services			
Telephone	110	910	852
Gas - heat	4,800	4,800	2,889
Electricity	6,240	6,240	5,835
Water	4,300	4,300	4,771
Professional services	1,200	1,850	1,580
Maintenance	89,000	89,000	78,966
Insurance	7,500	6,501	6,320
Maintenance - outsourced building	34,000	34,000	17,000
Total contractual services	147,150	147,601	118,213
Other			
Travel, training, dues	1,650	1,150	910
Recreation programs	1,300	500	353
Uniforms and safety items	1,700	1,550	1,342
Total other	4,650	3,200	2,605
TOTAL EXPENDITURES	\$ 247,300	\$ 247,300	\$ 204,903

(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, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Hotel	\$ 50,000	\$ 50,000	\$ 46,005
Intergovernmental, grants, and contributions	90,000	90,000	(34,561)
Investment income	2,500	2,500	4,029
Total revenues	142,500	142,500	15,473
EXPENDITURES			
General government			
Regional marketing	103,000	103,000	12,712
Public works			
Contractual services - snow removal	40,000	40,000	23,315
Total expenditures	143,000	143,000	36,027
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(500)	(500)	(20,554)
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(35,000)	(334,801)	(334,801)
Total other financing sources (uses)	(35,000)	(334,801)	(334,801)
NET CHANGE IN FUND BALANCE	<u>\$ (35,500)</u>	<u>\$ (335,301)</u>	(355,355)
FUND BALANCE, MAY 1			<u>1,251,292</u>
FUND BALANCE, APRIL 30			<u><u>\$ 895,937</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, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Home rule sales tax	\$ 4,150,000	\$ 4,150,000	\$ 4,227,205
Utility taxes	900,000	900,000	923,668
Telecommunication taxes	348,000	348,000	318,838
Intergovernmental	-	-	322,725
Investment income	9,000	9,000	41,890
	<hr/>		
Total revenues	5,407,000	5,407,000	5,834,326
	<hr/>		
EXPENDITURES			
Public works			
Contractual services			
Legal services	6,000	6,000	12,252
Engineering services	3,530,000	4,205,000	1,368,983
Infrastructure maintenance	3,410,000	3,710,000	3,242,603
Capital outlay	4,430,000	3,860,000	2,475,646
	<hr/>		
Total expenditures	11,376,000	11,781,000	7,099,484
	<hr/>		
OTHER FINANCING SOURCES (USES)			
Transfers (out)	-	-	1,299,801
	<hr/>		
Total other financing sources (uses)	-	-	1,299,801
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ (5,969,000)</u>	<u>\$ (6,374,000)</u>	34,643
FUND BALANCE, MAY 1			<u>11,306,928</u>
FUND BALANCE, APRIL 30			<u><u>\$ 11,341,571</u></u>

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

DEBT SERVICE FUND

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

CAPITAL PROJECTS FUND

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

VILLAGE OF ALGONQUIN, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2017

	Special Revenue	Debt Service	Capital Projects	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS				
Cash and cash equivalents	\$ 3,384,333	\$ 1,681	\$ 139,387	\$ 3,525,401
Investments	115,532	616,987	10,505	743,024
Receivables				
Property tax	11,500	-	-	11,500
Other taxes	85,675	-	-	85,675
Intergovernmental, grants, and contributions	250,785	-	-	250,785
Prepaid items	169	-	-	169
Total assets	3,847,994	618,668	149,892	4,616,554
DEFERRED OUTFLOWS OF RESOURCES				
None	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
	<u>\$ 3,847,994</u>	<u>\$ 618,668</u>	<u>\$ 149,892</u>	<u>\$ 4,616,554</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 561,297	\$ -	\$ -	\$ 561,297
Advances from other funds	-	-	-	-
Total liabilities	561,297	-	-	561,297
DEFERRED INFLOWS OF RESOURCES				
Unavailable property tax revenue	11,500	-	-	11,500
Total liabilities and deferred inflows of resources	572,797	-	-	572,797
FUND BALANCES				
Nonspendable				
Prepays	169	-	-	169
Restricted				
Street maintenance	1,923,217	-	-	1,923,217
Capital projects	94,138	-	-	94,138
Cemetery	308,059	-	-	308,059
Assigned				
Capital projects	949,614	-	149,892	1,099,506
Debt service	-	618,668	-	618,668
Total fund balances	3,275,197	618,668	149,892	4,043,757
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
	<u>\$ 3,847,994</u>	<u>\$ 618,668</u>	<u>\$ 149,892</u>	<u>\$ 4,616,554</u>

(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, 2017

	Special Revenue	Debt Service	Capital Projects	Total
REVENUES				
Taxes	\$ 402,028	\$ -	\$ -	\$ 402,028
Intergovernmental, grants, and contributions	849,833	-	11,000	860,833
Charges for services	40,362	-	-	40,362
Investment income	14,466	5,888	143	20,497
Miscellaneous	22,028	-	-	22,028
Total revenues	1,328,717	5,888	11,143	1,345,748
EXPENDITURES				
Current				
General government	33,026	-	-	33,026
Public works	1,398,509	-	-	1,398,509
Capital outlay	606,309	-	-	606,309
Debt service				
Principal	-	550,000	-	550,000
Interest and fiscal charges	-	53,210	-	53,210
Total expenditures	2,037,844	603,210	-	2,641,054
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(709,127)	(597,322)	11,143	(1,295,306)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	610,000	-	610,000
Total other financing sources (uses)	-	610,000	-	610,000
NET CHANGE IN FUND BALANCES	(709,127)	12,678	11,143	(685,306)
FUND BALANCES, MAY 1	3,984,324	605,990	138,749	4,729,063
FUND BALANCES, APRIL 30	\$ 3,275,197	\$ 618,668	\$ 149,892	\$ 4,043,757

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

April 30, 2017

	Special Revenue				
	Motor Fuel Tax	Parks	Cemetery	SSA #1	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
ASSETS					
Cash and cash equivalents	\$ 2,224,372	\$ 949,429	\$ 193,528	\$ 17,004	\$ 3,384,333
Investments	-	-	115,532	-	115,532
Receivables					
Property tax	-	-	-	11,500	11,500
Other taxes	-	85,675	-	-	85,675
Intergovernmental, grants, and contributions	65,785	185,000	-	-	250,785
Prepaid items	-	-	169	-	169
TOTAL ASSETS	2,290,157	1,220,104	309,229	28,504	3,847,994
DEFERRED OUTFLOWS OF RESOURCES					
None	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 2,290,157	\$ 1,220,104	\$ 309,229	\$ 28,504	\$ 3,847,994
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 366,940	\$ 193,356	\$ 1,001	\$ -	\$ 561,297
Advances from other funds	-	-	-	-	-
Total liabilities	366,940	193,356	1,001	-	561,297
DEFERRED INFLOWS OF RESOURCES					
Unavailable property tax revenue	-	-	-	11,500	11,500
Total liabilities and deferred inflows of resources	366,940	193,356	1,001	11,500	572,797
FUND BALANCES					
Nonspendable					
Prepays	-	-	169	-	169
Restricted					
Street maintenance	1,923,217	-	-	-	1,923,217
Capital projects	-	77,134	-	17,004	94,138
Cemetery	-	-	308,059	-	308,059
Assigned					
Capital projects	-	949,614	-	-	949,614
Total fund balances	1,923,217	1,026,748	308,228	17,004	3,275,197
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 2,290,157	\$ 1,220,104	\$ 309,229	\$ 28,504	\$ 3,847,994

(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, 2017

	<u>Special Revenue</u>				Total
	Motor Fuel Tax	Parks	Cemetery	SSA #1	
REVENUES					
Taxes	\$ -	\$ 385,028	\$ -	\$ 17,000	\$ 402,028
Intergovernmental, grants, and contributions	849,833	-	-	-	849,833
Charges for services	-	23,562	16,800	-	40,362
Investment income	10,765	2,370	1,327	4	14,466
Miscellaneous	-	-	22,028	-	22,028
	<hr/>				
Total revenues	860,598	410,960	40,155	17,004	1,328,717
	<hr/>				
EXPENDITURES					
Current					
General government	-	-	33,026	-	33,026
Public works	1,265,808	132,701	-	-	1,398,509
Capital outlay	133,985	472,324	-	-	606,309
	<hr/>				
Total expenditures	1,399,793	605,025	33,026	-	2,037,844
	<hr/>				
NET CHANGE IN FUND BALANCES	(539,195)	(194,065)	7,129	17,004	(709,127)
	<hr/>				
FUND BALANCES, MAY 1	2,462,412	1,220,813	301,099	-	3,984,324
	<hr/>				
FUND BALANCES, APRIL 30	\$ 1,923,217	\$ 1,026,748	\$ 308,228	\$ 17,004	\$ 3,275,197
	<hr/> <hr/>				

(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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES			
Intergovernmental, grants, and contributions			
Motor fuel tax allotments	\$ 815,000	\$ 815,000	\$ 849,833
Investment income	500	500	10,765
	<hr/>		
Total revenues	815,500	815,500	860,598
	<hr/>		
EXPENDITURES			
Public works			
Materials	428,000	428,000	288,803
Engineering services	227,000	20,000	-
Maintenance	995,000	1,202,000	977,005
Capital outlay	150,000	150,000	133,985
	<hr/>		
Total expenditures	1,800,000	1,800,000	1,399,793
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ (984,500)</u>	<u>\$ (984,500)</u>	(539,195)
FUND BALANCE, MAY 1			<u>2,462,412</u>
FUND BALANCE, APRIL 30			<u><u>\$ 1,923,217</u></u>

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

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

For the Year Ended April 30, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Video gaming	\$ 60,000	\$ 60,000	\$ 115,787
Telecommunications tax	285,000	285,000	269,241
Charges for services	-	-	23,562
Investment income	100	100	2,370
Total revenues	345,100	345,100	410,960
EXPENDITURES			
Public works			
Wetland mitigation	21,000	21,000	7,245
Ecosystem maintenance	92,000	92,000	78,165
Engineering services	40,000	121,000	47,291
Capital outlay	500,000	466,000	472,324
Total expenditures	653,000	700,000	605,025
NET CHANGE IN FUND BALANCE	\$ (307,900)	\$ (354,900)	(194,065)
FUND BALANCE, MAY 1			1,220,813
FUND BALANCE, APRIL 30			\$ 1,026,748

(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, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Charges for services			
Opening graves and closing crypts	\$ 10,000	\$ 14,000	\$ 13,400
Perpetual care	1,500	1,500	750
Sale of lots	6,000	6,000	2,650
Investment income	1,000	1,000	1,327
Miscellaneous	22,000	22,000	22,028
Total revenues	40,500	44,500	40,155
EXPENDITURES			
General government			
Supplies	1,850	1,850	838
Professional services	21,300	21,300	20,851
Grave openings	8,000	12,000	10,250
Insurance	1,000	1,000	1,087
Total expenditures	32,150	36,150	33,026
NET CHANGE IN FUND BALANCE	\$ 8,350	\$ 8,350	7,129
FUND BALANCE, MAY 1			301,099
FUND BALANCE, APRIL 30			\$ 308,228

(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, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Investment income	\$ 3,000	\$ 3,000	\$ 5,888
Total revenues	3,000	3,000	5,888
EXPENDITURES			
Current			
Debt service			
Principal	550,000	550,000	550,000
Interest and fiscal charges	55,000	55,000	53,210
Total expenditures	605,000	605,000	603,210
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(602,000)	(602,000)	(597,322)
OTHER FINANCING SOURCES (USES)			
Transfers in	610,000	610,000	610,000
NET CHANGE IN FUND BALANCE	\$ 8,000	\$ 8,000	12,678
FUND BALANCE, MAY 1			605,990
FUND BALANCE, APRIL 30			\$ 618,668

(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, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental, grants, and contributions	\$ 4,000	\$ 4,000	\$ 11,000
Investment income	100	100	143
Total revenues	<u>4,100</u>	<u>4,100</u>	<u>11,143</u>
EXPENDITURES			
Capital outlay	<u>50,000</u>	<u>50,000</u>	-
Total expenditures	<u>50,000</u>	<u>50,000</u>	-
NET CHANGE IN FUND BALANCE	<u>\$ (45,900)</u>	<u>\$ (45,900)</u>	11,143
FUND BALANCE, MAY 1			<u>138,749</u>
FUND BALANCE, APRIL 30			<u><u>\$ 149,892</u></u>

(See independent auditor's report.)

MAJOR ENTERPRISE FUND

VILLAGE OF ALGONQUIN, ILLINOIS

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

April 30, 2017

	Operations and Maintenance	Improvements and Extension	Total
CURRENT ASSETS			
Cash and cash equivalents	\$ 4,737,663	\$ 3,546,935	\$ 8,284,598
Investments	110,648	3,963,779	4,074,427
Receivables			
Accounts	926,869	2,301	929,170
Prepaid expenses	26,326	-	26,326
Restricted assets - investments	808,325	-	808,325
Total current assets	6,609,831	7,513,015	14,122,846
NONCURRENT ASSETS			
Advances to other funds	-	132,122	132,122
Capital assets			
Nondepreciable	3,857,443	-	3,857,443
Depreciable, net of accumulated depreciation	49,561,443	-	49,561,443
Net capital assets	53,418,886	-	53,418,886
Total noncurrent assets	53,418,886	132,122	53,551,008
Total assets	60,028,717	7,645,137	67,673,854
DEFERRED OUTFLOWS OF RESOURCES			
Pension items - IMRF	352,249	-	352,249
Deferred loss on refunding	133,376	-	133,376
Total deferred outflows of resources	485,625	-	485,625
Total assets and deferred outflows of resources	60,514,342	7,645,137	68,159,479

(This statement is continued on the following page.)

VILLAGE OF ALGONQUIN, ILLINOIS

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

April 30, 2017

	Operations and Maintenance	Improvements and Extension	Total
CURRENT LIABILITIES			
Accounts payable	\$ 390,749	\$ 189,208	\$ 579,957
Accrued interest	14,861	-	14,861
Compensated absences payable - current	140,843	-	140,843
Bonds payable - current	630,000	-	630,000
Total current liabilities	1,176,453	189,208	1,365,661
LONG-TERM LIABILITIES			
Compensated absences payable - long-term	87,863	-	87,863
IMRF net pension liability	1,252,467	-	1,252,467
Bonds payable - long-term	5,468,569	-	5,468,569
Total long-term liabilities	6,808,899	-	6,808,899
DEFERRED INFLOWS OF RESOURCES			
Pension items - IMRF	182,428	-	182,428
Total liabilities and deferred inflows of resources	8,167,780	189,208	8,356,988
NET POSITION			
Net investment in capital assets	47,453,693	-	47,453,693
Restricted for debt service	808,325	-	808,325
Unrestricted	4,084,544	7,455,929	11,540,473
TOTAL NET POSITION	\$ 52,346,562	\$ 7,455,929	\$ 59,802,491

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

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

For the Year Ended April 30, 2017

	Operations and Maintenance	Improvements and Extension	Total
OPERATING REVENUES			
Charges for services			
Water and sewer revenue	\$ 5,762,641	\$ -	\$ 5,762,641
Meter sales	26,622	-	26,622
Connection fees	-	505,565	505,565
Infrastructure fees	659,590	-	659,590
Administration fee	78,246	-	78,246
Miscellaneous	70,358	-	70,358
Total operating revenues	6,597,457	505,565	7,103,022
OPERATING EXPENSES			
Water operations	2,670,249	-	2,670,249
Sewer operations	2,566,306	-	2,566,306
Non departmental	-	157,818	157,818
Depreciation	3,486,871	-	3,486,871
Total operating expenses	8,723,426	157,818	8,881,244
OPERATING INCOME (LOSS)	(2,125,969)	347,747	(1,778,222)
NON-OPERATING REVENUES (EXPENSES)			
Investment income	20,560	34,980	55,540
Interest expense and fiscal agent fees	(185,413)	-	(185,413)
Total non-operating revenues (expenses)	(164,853)	34,980	(129,873)
INCOME (LOSS) BEFORE TRANSFERS	(2,290,822)	382,727	(1,908,095)
TRANSFERS			
Transfers in	141,301	-	141,301
Transfers (out)	-	(141,301)	(141,301)
Total transfers	141,301	(141,301)	-
CHANGE IN NET POSITION	(2,149,521)	241,426	(1,908,095)
NET POSITION, MAY 1	54,496,083	7,214,503	61,710,586
NET POSITION, APRIL 30	\$ 52,346,562	\$ 7,455,929	\$ 59,802,491

(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, 2017

	Original Budget	Final Budget	Actual
WATER DEPARTMENT			
Personnel			
IMRF	\$ 133,000	\$ 133,000	\$ 119,062
FICA	88,000	88,000	78,744
Unemployment tax	1,800	1,800	1,559
Health insurance	206,000	206,000	174,803
Salaries	1,110,000	1,110,000	1,047,068
Overtime	30,000	30,000	30,215
Commodities			
Meters	70,000	70,000	39,175
Office supplies	700	700	646
Materials	19,150	19,150	8,755
Chemicals	199,100	199,100	151,939
Postage	26,500	26,500	25,390
Small tools and equipment	16,150	16,150	14,962
Fuel	26,000	26,000	17,853
Lab supplies	11,400	11,400	8,613
Office furniture and equipment	-	800	758
IT equipment and supplies	57,100	57,100	43,337
Contractual services			
Utilities	333,800	333,800	279,451
Legal services	4,000	4,000	2,209
Audit services	7,650	7,650	4,460
Engineering services	59,000	59,000	17,474
Professional services	130,400	145,900	136,537
Insurance	81,000	81,000	82,573
Interest	50	50	-
Publications	1,100	1,100	744
Printing	3,650	3,650	3,542
Equipment rental	1,000	1,000	577
Equipment lease	350	350	-
Physical exams	1,500	1,500	329
Travel, training, dues	12,100	12,100	6,470
Bank processing fees	19,000	19,000	21,213
ACH rebates	-	-	9,960
Uniforms	7,400	7,400	6,883
Maintenance			
Wells	72,500	72,500	48,390
Booster station	16,900	17,900	17,077
Maintenance storage facility	10,000	10,000	6,637
Treatment facility	33,000	50,000	46,601
Distribution system	62,350	38,050	32,926
Vehicle maintenance	24,000	24,000	20,557
Building maintenance	76,000	76,000	91,280
Maintenance - other	350	350	368
Equipment maintenance	45,000	45,000	17,036
Capital outlay	320,000	310,000	191,454
Total water department	3,317,000	3,317,000	2,807,627

(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, 2017

	Original Budget	Final Budget	Actual
SEWER DEPARTMENT			
Personnel			
IMRF	\$ 114,000	\$ 114,000	\$ 102,649
FICA	77,000	77,000	68,065
Unemployment tax	1,600	1,600	1,367
Health insurance	166,000	166,000	136,732
Salaries	968,000	968,000	897,842
Overtime	20,000	20,000	25,465
Commodities			
Meters	70,000	70,000	39,031
Office supplies	650	650	560
Materials	21,500	21,500	5,812
Chemicals	78,000	73,800	39,308
Postage	25,000	25,000	25,180
Small tools and equipment	24,300	24,300	22,360
Fuel	23,000	23,000	13,537
Lab supplies	7,000	7,000	6,165
Office furniture and equipment	-	-	25
IT equipment and supplies	73,950	75,600	63,309
Vehicles and equipment	-	19,550	19,550
Contractual services			
Utilities	384,150	384,150	339,222
Legal services	4,000	4,000	284
Audit services	7,650	7,650	4,460
Engineering services	54,000	300	-
Professional services	127,750	127,750	93,295
Insurance	79,000	79,000	74,542
Publications	1,100	1,100	744
Printing	950	950	753
Equipment rental	1,000	1,000	1,211
Equipment lease	350	350	-
Physical exams	1,800	1,800	343
Sludge removal	119,450	119,450	94,041
Travel, training, dues	12,450	12,450	6,616
Bank processing fees	19,000	19,000	21,213
ACH rebates	-	-	10,001
Uniforms	8,800	9,300	7,867
Maintenance			
Treatment facility	167,925	198,925	183,892
Lift station	60,775	60,775	36,656
Collection station	24,500	24,500	788
Vehicle maintenance	22,000	22,000	36,291
Building maintenance	86,000	86,000	122,506
Equipment maintenance	55,000	55,000	17,249
Other	600	600	621
Capital outlay	45,000	50,200	50,154
 Total sewer department	 2,953,250	 2,953,250	 2,569,706

(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, 2017

	Original Budget	Final Budget	Actual
NONDEPARTMENTAL			
Contractual services			
Legal services	\$ 20,000	\$ 20,000	\$ 2,144
Engineering services	698,200	600,200	19,362
Infrastructure maintenance	300,000	300,000	101,996
Capital outlay	1,556,000	1,049,000	34,316
	<hr/>		
Total nondepartmental	2,574,200	1,969,200	157,818
	<hr/>		
TOTAL WATER AND SEWER OPERATIONS	\$ 8,844,450	\$ 8,239,450	5,535,151
	<hr/>		
ADJUSTMENTS TO GAAP BASIS			
WATER DEPARTMENT			
Pension expense			54,076
Less capitalized amounts			<u>(191,454)</u>
Total water department			<u>(137,378)</u>
SEWER DEPARTMENT			
Pension expense			46,754
Less capitalized amounts			<u>(50,154)</u>
Total sewer department			<u>(3,400)</u>
NONDEPARTMENTAL			
None			<u>-</u>
Total nondepartmental			<u>-</u>
Depreciation			<u>3,486,871</u>
TOTAL WATER AND SEWER OPERATIONS - GAAP BASIS			<u><u>\$ 8,881,244</u></u>

(See independent auditor's report.)

INTERNAL SERVICE FUNDS

VILLAGE OF ALGONQUIN, ILLINOIS

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

April 30, 2017

	Building Service Fund	Vehicle Maintenance Fund	Total
CURRENT ASSETS			
Cash and investments	\$ -	\$ -	\$ -
Receivables			
Accounts	-	12,819	12,819
Inventory	49,449	101,600	151,049
Total current assets	49,449	114,419	163,868
CAPITAL ASSETS			
Depreciable, net of accumulated depreciation	24,690	109,024	133,714
Net capital assets	24,690	109,024	133,714
Total assets	74,139	223,443	297,582
CURRENT LIABILITIES			
Accounts payable	30,383	52,320	82,703
Due to other funds	12,893	88,523	101,416
Total current liabilities	43,276	140,843	184,119
NET POSITION			
Net investment in capital assets	24,690	109,024	133,714
Unrestricted	6,173	(26,424)	(20,251)
TOTAL NET POSITION	\$ 30,863	\$ 82,600	\$ 113,463

(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, 2017

	Building Service Fund	Vehicle Maintenance Fund	Total
OPERATING REVENUES			
Charges for services			
Maintenance billings	\$ 870,060	\$ 743,488	\$ 1,613,548
Fire district fuel	-	34,771	34,771
Fuel billings	-	178,302	178,302
Fleet maintenance	-	58,148	58,148
Miscellaneous	252	283	535
	<hr/>		
Total operating revenues	870,312	1,014,992	1,885,304
OPERATING EXPENSES			
Personnel	409,695	340,396	750,091
Contractual services	4,353	15,744	20,097
Supplies and materials	158,871	486,887	645,758
Maintenance	291,166	153,592	444,758
Other charges	6,227	14,125	20,352
Depreciation	6,173	16,047	22,220
	<hr/>		
Total operating expenses	876,485	1,026,791	1,903,276
OPERATING INCOME (LOSS)	(6,173)	(11,799)	(17,972)
NON-OPERATING REVENUES (EXPENSES)			
None	-	-	-
	<hr/>		
Total non-operating revenues (expenses)	-	-	-
CHANGE IN NET POSITION	(6,173)	(11,799)	(17,972)
NET POSITION, MAY 1	37,036	94,399	131,435
	<hr/>		
NET POSITION, APRIL 30	\$ 30,863	\$ 82,600	\$ 113,463
	<hr/>		

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

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

For the Year Ended April 30, 2017

	Building Service Fund	Vehicle Maintenance Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ -	\$ 271,221	\$ 271,221
Cash received for interfund services provided	870,060	753,504	1,623,564
Payments to suppliers	(451,208)	(680,214)	(1,131,422)
Payments to employees	(409,695)	(340,396)	(750,091)
Other receipts (payments)	252	283	535
Net cash from operating activities	<u>9,409</u>	<u>4,398</u>	<u>13,807</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Interfund transactions	<u>(9,409)</u>	<u>38,074</u>	<u>28,665</u>
Net cash from noncapital financing activities	<u>(9,409)</u>	<u>38,074</u>	<u>28,665</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	<u>-</u>	<u>(42,472)</u>	<u>(42,472)</u>
Net cash from capital and related financing activities	<u>-</u>	<u>(42,472)</u>	<u>(42,472)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
None	<u>-</u>	<u>-</u>	<u>-</u>
Net cash from investing activities	<u>-</u>	<u>-</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>-</u>	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS, MAY 1	<u>-</u>	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS, APRIL 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(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, 2017

	Building Service Fund	Vehicle Maintenance Fund	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ (6,173)	\$ (11,799)	\$ (17,972)
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation	6,173	16,047	22,220
Increase (decrease) in			
Accounts receivable	-	10,016	10,016
Inventory	(67)	(5,729)	(5,796)
Accounts payable	9,476	(4,137)	5,339
	<hr/>	<hr/>	<hr/>
Total adjustments	15,582	16,197	31,779
	<hr/>	<hr/>	<hr/>
NET CASH FROM OPERATING ACTIVITIES	\$ 9,409	\$ 4,398	\$ 13,807

(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, 2017

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Maintenance billings	\$ 808,500	\$ 808,500	\$ 870,060
Miscellaneous	-	-	252
Total operating revenues	<u>808,500</u>	<u>808,500</u>	<u>870,312</u>
OPERATING EXPENSES			
Personnel	373,200	373,200	409,695
Contractual services	9,650	9,650	4,353
Supplies and materials	165,000	164,900	158,871
Maintenance	252,200	252,200	291,166
Other charges	8,450	8,550	6,227
Total operating expenses	<u>808,500</u>	<u>808,500</u>	<u>870,312</u>
CHANGE IN NET POSITION (BUDGETARY BASIS)	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
ADJUSTMENTS TO GAAP BASIS			
Depreciation			<u>6,173</u>
Total adjustments to GAAP basis			<u>6,173</u>
CHANGE IN NET POSITION (GAAP BASIS)			<u>(6,173)</u>
NET POSITION, MAY 1			<u>37,036</u>
NET POSITION, APRIL 30			<u>\$ 30,863</u>

(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, 2017

	Original Budget	Final Budget	Actual
OPERATING EXPENSES			
Personnel			
IMRF	\$ 31,500	\$ 31,500	\$ 33,404
FICA	21,500	21,500	22,668
SUI	500	500	596
Health insurance	46,500	46,500	48,175
Salaries	257,200	257,200	298,121
Overtime	16,000	16,000	6,731
Total personnel	<u>373,200</u>	<u>373,200</u>	<u>409,695</u>
Contractual services			
Telephone	4,000	4,000	3,867
Natural gas	1,000	1,000	-
Physical exams	200	200	215
Printing and advertising	400	400	15
Professional services	2,700	2,700	256
Publications	500	500	-
Non-operation leases	350	350	-
Equipment rental	500	500	-
Total contractual services	<u>9,650</u>	<u>9,650</u>	<u>4,353</u>
Supplies and materials			
Office supplies	300	300	283
Postage	100	100	-
Building supplies	135,200	135,200	137,819
Tools, equipment, and supplies	24,400	24,300	17,730
Fuel	3,000	3,000	2,210
Office furniture and equipment	2,000	2,000	829
Total supplies and materials	<u>165,000</u>	<u>164,900</u>	<u>158,871</u>
Maintenance			
Vehicle maintenance	5,000	5,000	5,598
Equipment maintenance	2,000	2,000	1,627
Outsourced building maintenance	244,675	244,675	283,395
Office equipment maintenance	525	525	546
Total maintenance	<u>252,200</u>	<u>252,200</u>	<u>291,166</u>
Other charges			
Travel, training, and dues	4,700	4,700	2,903
Interest expense	30	30	-
Uniforms and safety items	3,720	3,820	3,324
Total other charges	<u>8,450</u>	<u>8,550</u>	<u>6,227</u>
TOTAL OPERATING EXPENSES	<u><u>\$ 808,500</u></u>	<u><u>\$ 808,500</u></u>	<u><u>\$ 870,312</u></u>

(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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
OPERATING REVENUES			
Charges for services			
Maintenance billings	\$ 887,000	\$ 887,000	\$ 743,488
Fire district fuel	60,000	60,000	34,771
Fuel billings	290,000	290,000	178,302
Fleet maintenance	110,000	110,000	58,148
Miscellaneous	-	-	283
	<hr/>		
Total operating revenues	1,347,000	1,347,000	1,014,992
OPERATING EXPENSES			
Personnel	373,500	373,500	340,396
Contractual services	27,500	27,500	15,744
Supplies and materials	754,950	751,150	486,887
Maintenance	129,550	129,550	153,592
Capital outlay	46,000	46,000	42,472
Other charges	15,500	19,300	14,125
	<hr/>		
Total operating expenses	1,347,000	1,347,000	1,053,216
CHANGE IN NET POSITION (BUDGETARY BASIS)	<u>\$ -</u>	<u>\$ -</u>	<u>(38,224)</u>
ADJUSTMENTS TO GAAP BASIS			
Capitalized assets			(42,472)
Depreciation			16,047
	<hr/>		
Total adjustments to GAAP basis			(26,425)
CHANGE IN NET POSITION (GAAP BASIS)			(11,799)
NET POSITION, MAY 1			<hr/> 94,399
NET POSITION, APRIL 30			<u><u>\$ 82,600</u></u>

(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, 2017

	Original Budget	Final Budget	Actual
OPERATING EXPENSES			
Personnel			
IMRF	\$ 31,000	\$ 31,000	\$ 27,597
FICA	21,000	21,000	18,497
SUI	500	500	535
Health insurance	53,000	53,000	43,891
Salaries	258,000	258,000	248,171
Overtime	10,000	10,000	1,705
Total personnel	373,500	373,500	340,396
Contractual services			
Telephone	3,980	3,980	4,763
Natural gas	1,200	1,200	-
Professional services	10,100	10,100	7,801
Publications	8,300	8,300	1,500
Printing and advertising	390	390	310
Noncapital leases	330	330	-
Physical exams	200	200	105
Equipment rental	3,000	3,000	1,265
Total contractual services	27,500	27,500	15,744
Supplies and materials			
Office supplies	2,300	700	684
Postage	100	100	86
Tools, equipment, and supplies	15,700	13,500	14,493
Fuel	354,000	354,000	215,525
Oil, lubricants, and fluids	382,850	382,850	256,099
Total supplies and materials	754,950	751,150	486,887
Maintenance			
Vehicle maintenance	5,000	5,000	3,779
Equipment maintenance	5,500	5,500	1,112
Building maintenance	48,500	48,500	59,648
Outsourced vehicle and equipment maintenance	550	550	570
Office equipment maintenance	70,000	70,000	88,483
Total maintenance	129,550	129,550	153,592
Capital purchases	46,000	46,000	42,472
Other charges			
Travel, training, and dues	8,170	8,170	5,596
Interest expense	30	30	-
Uniforms and safety items	7,300	11,100	8,529
Total other charges	15,500	19,300	14,125
TOTAL OPERATING EXPENSES	\$ 1,347,000	\$ 1,347,000	\$ 1,053,216

(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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
ADDITIONS			
Contributions			
Employer	\$ 1,837,000	\$ 1,837,000	\$ 1,837,000
Employee	429,000	429,000	423,716
Total contributions	<u>2,266,000</u>	<u>2,266,000</u>	<u>2,260,716</u>
Investment income			
Net appreciation in fair value of investments	-	-	1,635,000
Interest	1,490,000	1,490,000	560,864
Total investment income	<u>1,490,000</u>	<u>1,490,000</u>	<u>2,195,864</u>
Less investment expense	<u>(80,000)</u>	<u>(80,000)</u>	<u>(93,997)</u>
Net investment income	<u>1,410,000</u>	<u>1,410,000</u>	<u>2,101,867</u>
Total additions	<u>3,676,000</u>	<u>3,676,000</u>	<u>4,362,583</u>
DEDUCTIONS			
Pension benefits	1,085,000	1,085,000	971,371
Administrative expenses	39,000	39,000	40,032
Total deductions	<u>1,124,000</u>	<u>1,124,000</u>	<u>1,011,403</u>
Change in net position	<u>\$ 2,552,000</u>	<u>\$ 2,552,000</u>	3,351,180
NET POSITION RESTRICTED FOR PENSIONS			
May 1			<u>22,296,005</u>
April 30			<u>\$ 25,647,185</u>

(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, 2017

	Balances			Balances
	May 1	Additions	Deductions	April 30
ASSETS				
Cash and cash equivalents	\$ 250,283	\$ -	\$ 250,283	\$ -
TOTAL ASSETS	\$ 250,283	\$ -	\$ 250,283	\$ -
LIABILITIES				
Deposits	\$ 250,283	\$ -	\$ 250,283	\$ -
TOTAL LIABILITIES	\$ 250,283	\$ -	\$ 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, 2017

Date of Issue	December 3, 2013
Date of Maturity	April 1, 2025
Interest Rate	3.00% to 3.25%
Interest Dates	October 1 and April 1
Payable at	BNY Midwest Trust Company

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	October 1		April 1		Total
	Interest	Principal	Interest		
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>\$ 422,979</u>	<u>\$ 5,875,000</u>	<u>\$ 422,979</u>	<u>\$ 6,720,958</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, 2017

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		April 1		Total
	Interest	Principal	Interest		
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>\$ 43,714</u>	<u>\$ 1,780,000</u>	<u>\$ 43,714</u>	<u>\$ 1,867,428</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.	102-111
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	112-117
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.	118-122
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.	123-124
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.	125-127

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	2008	2009	2010	2011
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 185,504,246	\$ 179,027,466	\$ 176,607,596	\$ 175,520,012
Restricted	5,615,510	6,281,547	7,376,272	7,503,441
Unrestricted	6,286,051	7,633,118	7,055,416	8,606,808
TOTAL GOVERNMENTAL ACTIVITIES	\$ 197,405,807	\$ 192,942,131	\$ 191,039,284	\$ 191,630,261
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	\$ 74,099,851	\$ 73,436,233	\$ 63,883,643	\$ 60,837,070
Restricted	804,588	406,000	920,000	817,000
Unrestricted	2,254,481	4,727,611	5,027,550	7,274,331
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 77,158,920	\$ 78,569,844	\$ 69,831,193	\$ 68,928,401
PRIMARY GOVERNMENT				
Net investment in capital assets	\$ 259,604,097	\$ 252,463,699	\$ 240,491,239	\$ 236,357,082
Restricted	6,420,098	6,687,547	8,296,272	8,320,441
Unrestricted	8,540,532	12,360,729	12,082,966	15,881,139
TOTAL PRIMARY GOVERNMENT	\$ 274,564,727	\$ 271,511,975	\$ 260,870,477	\$ 260,558,662

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

Data Source

Audited Financial Statements

2012	2013	2014	2015	2016*	2017
\$ 177,068,931	\$ 181,677,850	\$ 179,276,332	\$ 181,340,289	\$ 179,194,896	\$ 181,389,998
2,266,916	1,860,785	2,309,292	3,055,239	3,114,451	6,534,289
15,271,626	17,932,292	21,967,034	24,222,228	8,095,190	2,549,697
<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>	<u>\$ 190,473,984</u>
\$ 57,848,186	\$ 55,074,145	\$ 54,136,285	\$ 52,805,499	\$ 49,930,507	\$ 47,453,693
1,523,000	872,688	866,338	830,426	806,625	808,325
8,938,628	13,150,719	13,024,609	11,375,018	10,973,454	11,540,473
<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>	<u>\$ 59,802,491</u>
\$ 234,917,117	\$ 236,751,995	\$ 233,412,617	\$ 234,145,788	\$ 229,125,403	\$ 228,843,691
3,789,916	2,733,473	3,175,630	3,885,665	3,921,076	7,342,614
24,210,254	31,083,011	34,991,643	35,597,246	19,068,644	14,090,170
<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>	<u>\$ 250,276,475</u>

VILLAGE OF ALGONQUIN, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011
EXPENSES				
Governmental activities				
General government	\$ 4,378,364	\$ 4,618,093	\$ 4,511,797	\$ 4,538,951
Public safety	6,897,936	7,686,244	7,924,602	8,086,707
Public works	9,844,829	16,991,574	12,154,994	8,930,380
Interest	378,502	408,053	395,572	344,884
Total governmental activities expenses	21,499,631	29,703,964	24,986,965	21,900,922
BUSINESS-TYPE ACTIVITIES				
Water and sewer	7,600,797	8,708,844	16,311,087	8,578,470
Total business-type activities expenses	7,600,797	8,708,844	16,311,087	8,578,470
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 29,100,428	\$ 38,412,808	\$ 41,298,052	\$ 30,479,392
PROGRAM REVENUES				
Governmental activities				
Charges for services				
General government	\$ 1,266,281	\$ 1,416,942	\$ 732,201	\$ 718,779
Public safety	715,082	745,832	1,223,423	977,767
Public works	78,279	42,130	21,704	14,989
Operating grants and contributions	1,156,090	1,017,003	971,168	1,191,828
Capital grants and contributions	1,487,548	3,807,774	1,579,772	368,995
Total governmental activities program revenues	4,703,280	7,029,681	4,528,268	3,272,358
Business-type activities				
Charges for services				
Water/sewer	5,602,144	5,624,824	5,201,422	5,450,665
Operating grants and contributions	54,641	34,040	37,071	54,112
Capital grants and contributions	465,381	959,913	-	-
Total business-type activities program revenues	6,122,166	6,618,777	5,238,493	5,504,777
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 10,825,446	\$ 13,648,458	\$ 9,766,761	\$ 8,777,135
NET (EXPENSE) REVENUE				
Governmental activities	\$ (16,796,351)	\$ (22,674,283)	\$ (20,458,697)	\$ (18,628,564)
Business-type activities	(1,478,631)	(2,090,067)	(11,072,594)	(3,073,693)
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	\$ (18,274,982)	\$ (24,764,350)	\$ (31,531,291)	\$ (21,702,257)

	2012	2013	2014	2015	2016*	2017
\$	4,742,261	\$ 4,682,238	\$ 4,538,905	\$ 5,218,534	\$ 5,526,982	\$ 4,950,693
	8,267,862	8,668,334	8,842,616	9,089,370	9,516,306	9,649,552
	8,872,523	8,059,774	10,521,914	11,339,697	10,339,204	12,779,514
	345,353	190,092	160,780	93,117	58,580	46,848
	22,227,999	21,600,438	24,064,215	25,740,718	25,441,072	27,426,607
	8,551,752	8,738,058	8,487,380	9,580,289	9,514,803	9,066,657
	8,551,752	8,738,058	8,487,380	9,580,289	9,514,803	9,066,657
\$	30,779,751	\$ 30,338,496	\$ 32,551,595	\$ 35,321,007	\$ 34,955,875	\$ 36,493,264
\$	883,440	\$ 1,470,286	\$ 886,332	\$ 821,200	\$ 1,282,209	\$ 1,058,488
	1,003,544	1,022,031	1,062,432	932,375	498,868	409,390
	26,448	52,023	27,637	7,157	-	18,103
	1,278,892	1,288,203	1,218,237	1,942,714	1,218,006	1,144,420
	1,783,794	4,130,903	1,616,727	3,851,095	425,781	394,426
	4,976,118	7,963,446	4,811,365	7,554,541	3,424,864	3,024,827
	5,596,381	7,858,350	6,073,440	6,079,733	6,909,153	7,032,664
	112,067	-	687,145	2,681	-	-
	-	-	-	390,177	-	-
	5,708,448	7,858,350	6,760,585	6,472,591	6,909,153	7,032,664
\$	10,684,566	\$ 15,821,796	\$ 11,571,950	\$ 14,027,132	\$ 10,334,017	\$ 10,057,491
\$	(17,251,881)	\$ (13,636,992)	\$ (19,252,850)	\$ (18,186,177)	\$ (22,016,208)	\$ (24,401,780)
	(2,843,304)	(879,708)	(1,726,795)	(3,107,698)	(2,605,650)	(2,033,993)
\$	(20,095,185)	\$ (14,516,700)	\$ (20,979,645)	\$ (21,293,875)	\$ (24,621,858)	\$ (26,435,773)

VILLAGE OF ALGONQUIN, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental activities				
Taxes				
Property	\$ 5,168,603	\$ 5,583,456	\$ 5,939,181	\$ 5,960,733
Home rule sales tax	-	-	-	-
Utility	1,023,062	1,014,164	947,168	1,015,552
Other	899,998	887,618	866,264	1,189,334
Intergovernmental - unrestricted				
Sales and use tax	6,510,307	6,848,007	7,550,234	8,030,266
Income tax	3,426,760	3,067,163	2,676,478	2,817,443
Franchise fees	-	-	-	-
Investment income	601,941	342,425	215,056	192,446
Miscellaneous	415,459	467,774	361,469	13,767
Total governmental activities	18,046,130	18,210,607	18,555,850	19,219,541
Business-type activities				
Sales	3,567,652	3,112,492	2,282,512	2,140,901
Investment income	230,995	79,999	51,431	30,000
Miscellaneous	258,212	308,500	-	-
Total business-type activities	4,056,859	3,500,991	2,333,943	2,170,901
TOTAL PRIMARY GOVERNMENT	\$ 22,102,989	\$ 21,711,598	\$ 20,889,793	\$ 21,390,442
CHANGE IN NET POSITION				
Governmental activities	\$ 1,249,779	\$ (4,463,676)	\$ (1,902,847)	\$ 590,977
Business-type activities	2,578,228	1,410,924	(8,738,651)	(902,792)
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ 3,828,007	\$ (3,052,752)	\$ (10,641,498)	\$ (311,815)

*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

	2012	2013	2014	2015	2016*	2017
\$	6,000,829	\$ 5,904,067	\$ 5,874,845	\$ 5,844,048	\$ 5,937,891	\$ 6,266,415
	-	-	-	-	4,120,849	4,227,205
	963,634	999,135	998,361	951,723	899,377	923,668
	1,438,886	1,220,371	1,150,583	1,219,631	869,147	870,321
	8,630,053	9,023,020	10,129,119	11,459,955	7,635,490	7,704,133
	3,003,337	3,294,417	3,393,115	3,699,105	3,899,246	3,645,402
	-	-	-	-	546,474	547,683
	177,276	74,537	(219,130)	69,180	111,774	139,744
	15,078	17,146	7,688	7,633	293,938	146,656
	20,229,093	20,532,693	21,334,581	23,251,275	24,314,186	24,471,227
	2,189,131	1,665,803	742,925	-	-	-
	35,586	45,222	(205,050)	72,105	24,551	55,540
	-	-	118,600	19,304	80,427	70,358
	2,224,717	1,711,025	656,475	91,409	104,978	125,898
\$	22,453,810	\$ 22,243,718	\$ 21,991,056	\$ 23,342,684	\$ 24,419,164	\$ 24,597,125
\$	2,977,212	\$ 6,895,701	\$ 2,081,731	\$ 5,065,098	\$ 2,297,978	\$ 69,447
	(618,587)	831,317	(1,070,320)	(3,016,289)	(2,500,672)	(1,908,095)
\$	2,358,625	\$ 7,727,018	\$ 1,011,411	\$ 2,048,809	\$ (202,694)	\$ (1,838,648)

VILLAGE OF ALGONQUIN, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011
GENERAL FUND				
Reserved	\$ 128,273	\$ 91,051	\$ 820,482	\$ 1,087,729
Unreserved - designated	370,413	723,366	630,847	631,745
Unreserved - undesignated	7,240,821	7,537,908	8,031,591	8,981,623
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	\$ 7,739,507	\$ 8,352,325	\$ 9,482,920	\$ 10,701,097
ALL OTHER GOVERNMENTAL FUNDS				
Reserved	\$ 5,580,401	\$ 6,191,767	\$ 6,633,759	\$ 6,506,815
Unreserved, reported in				
Special Revenue Fund	2,347,141	3,088,941	2,363,027	3,001,419
Capital Projects Fund	80,778	127,264	129,144	130,320
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	\$ 8,008,320	\$ 9,407,972	\$ 9,125,930	\$ 9,638,554
TOTAL FUND BALANCES	\$ 15,747,827	\$ 17,760,297	\$ 18,608,850	\$ 20,339,651

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

	2012	2013	2014	2015	2016	2017
	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
\$	104,327	\$ 128,636	\$ 87,013	\$ 86,209	\$ 706,122	\$ 735,904
	-	-	-	578,255	395,843	1,440,207
	-	-	-	-	-	271,471
	-	-	-	-	-	-
	13,237,235	14,576,319	14,953,584	15,176,721	16,469,895	14,551,378
\$	13,341,562	\$ 14,704,955	\$ 15,040,597	\$ 15,841,185	\$ 17,571,860	\$ 16,998,960
	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
\$	225	\$ 235	\$ 167	\$ 166	\$ 135	\$ 169
	2,266,916	1,860,785	2,309,292	2,476,984	3,114,451	4,475,414
	-	-	-	-	-	-
	5,247,710	6,098,107	7,180,275	8,236,873	12,921,405	10,291,077
	(94,471)	-	-	(279,467)	(834,949)	(1,672,058)
\$	7,420,380	\$ 7,959,127	\$ 9,489,734	\$ 10,434,556	\$ 15,201,042	\$ 13,094,602
\$	20,761,942	\$ 22,664,082	\$ 24,530,331	\$ 26,275,741	\$ 32,772,902	\$ 30,093,562

VILLAGE OF ALGONQUIN, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011
REVENUES				
Taxes	\$ 17,517,779	\$ 17,616,380	\$ 18,408,483	\$ 19,016,084
Licenses and permits	716,764	934,656	339,520	358,788
Intergovernmental, grants, and contributions	1,328,505	1,591,706	1,696,032	1,277,185
Charges for services	696,065	520,417	463,882	301,319
Fines and forfeits	615,449	694,899	1,132,348	907,896
Investment income (loss)	601,942	342,425	215,055	192,446
Miscellaneous	74,794	128,001	55,366	58,564
Total revenues	21,551,298	21,828,484	22,310,686	22,112,282
EXPENDITURES				
General government	4,018,830	4,159,903	4,030,535	4,109,045
Public safety	6,784,724	7,516,079	7,730,736	7,980,376
Public works	6,609,056	5,101,332	6,098,858	6,064,344
Capital outlay	2,516,044	2,305,322	2,874,139	1,512,055
Debt service				
Principal	597,355	451,600	465,000	500,000
Interest	307,192	281,778	262,865	187,454
Total expenditures	20,833,201	19,816,014	21,462,133	20,353,274
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	718,097	2,012,470	848,553	1,759,008
OTHER FINANCING SOURCES (USES)				
Transfers in	1,050,798	669,376	678,098	852,355
Transfers (out)	(1,085,798)	(669,376)	(678,098)	(852,355)
Proceeds from capital lease	-	-	-	-
Proceeds from bonds/issuance of refunding bonds	-	-	-	-
Premium on general obligation bonds	-	-	-	-
Transfer to refunded bond escrow	-	-	-	-
Total other financing sources (uses)	(35,000)	-	-	-
NET CHANGE IN FUND BALANCES	\$ 683,097	\$ 2,012,470	\$ 848,553	\$ 1,759,008
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	4.94%	4.19%	3.92%	3.65%

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

Data Source

Audited Financial Statements

	2012	2013	2014	2015	2016*	2017
\$	19,922,146	\$ 20,385,852	\$ 21,452,273	\$ 23,141,444	\$ 11,770,767	\$ 12,287,609
	397,652	705,734	407,800	589,957	823,414	612,193
	1,553,508	2,378,726	1,438,538	2,436,940	12,809,274	12,876,044
	338,722	340,063	333,652	343,116	778,570	368,237
	864,061	798,921	749,287	687,897	551,438	459,464
	177,277	74,537	(219,130)	69,180	119,847	206,719
	135,304	128,322	263,402	218,533	885,770	685,788
	23,388,670	24,812,155	24,425,822	27,487,067	27,739,080	27,496,054
	4,138,167	4,343,983	4,279,256	4,531,249	4,740,911	5,263,774
	8,328,490	8,570,284	8,787,750	9,114,836	8,864,640	9,285,421
	5,685,056	7,485,932	7,066,611	8,060,229	6,207,114	10,521,050
	1,217,825	1,754,682	2,054,583	2,957,881	2,084,527	3,858,214
	3,420,695	590,000	634,615	689,757	565,825	571,951
	176,146	165,134	153,287	89,505	68,040	56,316
	22,966,379	22,910,015	22,976,102	25,443,457	22,531,057	29,556,726
	422,291	1,902,140	1,449,720	2,043,610	5,208,023	(2,060,672)
	852,355	852,355	850,000	596,147	599,829	1,909,801
	(852,355)	(852,355)	(850,000)	(596,147)	(599,829)	(1,909,801)
	-	-	106,265	-	-	-
	-	-	2,885,000	-	-	-
	-	-	119,392	-	-	-
	-	-	(2,992,328)	-	-	-
	-	-	118,329	-	-	-
\$	422,291	\$ 1,902,140	\$ 1,568,049	\$ 2,043,610	\$ 5,208,023	\$ (2,060,672)
	16.54%	3.57%	3.77%	3.47%	3.04%	2.70%

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)
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
2016	677,131,371	161,982,750	10,764,196	2,487,423	852,365,740	0.6570	2,557,097,220	33.333%	2	842,887	34	12,381,885

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

Data Sources

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

VILLAGE OF ALGONQUIN, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

Levy Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
DIRECT TAX RATES										
General Corporate	0.4701	0.4849	0.4839	0.5233	0.5642	0.6208	0.6775	0.7047	0.7159	0.6570
Total direct rates	0.4701	0.4849	0.4839	0.5233	0.5642	0.6208	0.6775	0.7047	0.7159	0.6570
OVERLAPPING TAX RATES										
Fire District(s)	2.1066	2.1304	2.1466	2.3469	2.4758	3.5099	3.8524	4.0108	3.9311	3.8735
Kane County	0.3322	0.3336	0.3398	0.3730	0.3990	0.4336	0.4623	0.4684	0.4479	0.4201
Kane County Forest Preserve	0.1974	0.1932	0.1997	0.2201	0.2609	0.2710	0.3039	0.3126	0.2944	0.2253
McHenry County	0.6871	0.7014	0.7157	0.7927	0.8879	0.9958	1.0960	1.1412	1.0781	1.0539
McHenry County Conservation	0.1738	0.1732	0.1775	0.1956	0.2191	0.2481	0.2748	0.2840	0.2766	0.2588
Park districts (3)	0.6862	0.6580	0.6959	0.8241	0.8665	0.7645	1.0765	1.1276	1.0618	0.8914
Public libraries (4)	0.8456	0.8438	0.8693	0.9916	1.0266	1.1517	1.2313	1.3632	1.3227	1.2601
Road and bridge (4)	0.2210	0.2237	0.2283	0.2552	0.2794	0.3942	0.4387	0.4548	0.4374	0.3999
Schools (4)	8.5327	8.4892	8.7353	9.9611	10.4509	12.0424	13.1491	14.0008	13.4877	12.5931
Townships (4)	0.2527	0.2522	0.2620	0.2984	0.3230	0.4165	0.4316	0.4468	0.4283	0.3792
Algonquin SSA #1	-	-	-	-	-	-	-	-	5.6066	23.0860
Total overlapping rates	14.0353	13.9987	14.3701	16.2587	17.1891	20.2277	22.3166	23.6102	28.3726	44.4413
TOTAL TAX RATES	14.5054	14.4836	14.8540	16.7820	17.7533	20.8485	22.9941	24.3149	29.0885	45.0983

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	2017			2008		
	2016 Taxable Equalized Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	2007 Taxable Equalized Assessed Value	Rank	Percentage of Total Village Equalized Assessed Valuation
In Retail Fund Algonquin Commons LLC	\$ 22,503,690	1	2.64%	\$ 31,805,337	1	2.75%
Marquette EJP Algonquin LLC	8,273,410	2	0.97%			0.00%
Rubloff Oakridge Algonquin LLC	7,097,957	3	0.83%	9,412,240	2	0.81%
Oakridge Court LLC	4,731,385	4	0.56%			0.00%
Algonquin Galleria of Illinois LLC	4,061,791	5	0.48%			0.00%
Meijer Stores LTD Partnership	4,022,424	6	0.47%	3,976,726	6	0.34%
Wal-Mart Stores Inc.	3,853,395	7	0.45%	4,504,060	4	0.39%
Target Corporation	3,675,389	8	0.43%	4,835,791	3	0.42%
LTF USA Real Estate Co Inc.	3,496,729	9	0.41%	4,086,415	5	0.35%
RPA Shopping Center Ph. 1 LLC	2,725,124	10	0.32%	3,246,540	9	0.28%
HD Development of MD Inc.				3,651,457	7	0.32%
Jewel Food Stores, Inc.				3,602,690	8	0.31%
Nickels Quarters LLC				3,066,196	10	0.27%
TOTAL	<u>\$ 64,441,294</u>		<u>7.56%</u>	<u>\$ 72,187,452</u>		<u>6.24%</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*			
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%	817	5,469,390	99.79%
2015	5,893,475	5,870,423	99.61%	-	5,870,423	99.61%
2016	5,991,475	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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General merchandise	\$ 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	\$ 2,063,688
Food	792,506	903,485	987,441	957,066	989,997	975,961	989,451	1,072,713	1,069,547	946,826
Drinking and eating places	632,570	622,420	634,989	592,419	667,728	717,117	732,747	754,333	776,846	832,807
Apparel	575,270	509,925	455,968	519,440	685,012	588,495	593,205	607,179	586,989	644,790
Furniture and H.H. and radio	727,475	639,712	528,320	510,346	491,866	523,162	549,625	590,672	628,199	760,486
Lumber, building hardware	341,289	356,094	312,403	303,779	304,682	301,486	346,042	356,151	368,429	330,374
Automobile and filling stations	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	605,334
Drugs and miscellaneous retail	870,839	866,106	1,047,092	1,038,679	1,065,226	1,036,697	1,081,094	1,150,529	998,903	1,152,036
Agriculture and all others	192,069	180,022	125,987	110,353	103,667	94,845	106,527	129,176	333,903	156,600
Manufacturers	126,597	109,840	103,914	83,071	117,709	75,772	81,124	103,111	157,401	151,712
TOTAL	\$ 6,599,056	\$ 6,504,822	\$ 6,455,352	\$ 6,525,655	\$ 6,948,585	\$ 6,991,371	\$ 7,144,335	\$ 7,453,273	\$ 7,580,028	\$ 7,667,131
Total number of payers	989	825	801	766	1,128	807	794	810	815	848
Village direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Village home rule sales tax rate	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%

Data Source

Illinois Department of Revenue

VILLAGE OF ALGONQUIN, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES

Last Ten Fiscal Years

Fiscal Year	Village Direct Rate	Village State Rate
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%
2017	1.75%	6.00%

Data Sources

Village and County Records

VILLAGE OF ALGONQUIN, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities		Business-Type Activities		Total Primary Government	Ratio of Total Outstanding Debt to Equalized Assessed Valuation	Total Outstanding Debt Per Capita
	General Obligation Bonds	Capital Leases	General Obligation Bonds	Revenue Bonds			
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
2017	1,836,469	29,117	6,098,569	-	7,964,155	1.02%	265.07

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
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
2017	7,935,038	-	7,935,038	0.93%	264.10

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, 2017

Governmental Unit	Gross Debt	Percentage Debt Applicable to the Village*	Village's Share of Debt
Kane County	\$ 88,220,000	1.81%	\$ 1,596,782
McHenry County Conservation District	104,580,000	8.20%	8,575,560
Kane County Forest Preserve	122,205,000	1.81%	2,211,911
Dundee Township Park District	19,014,755	14.96%	2,844,607
Huntley Park District	4,225,000	9.19%	388,278
Dundee Township	1,765,000	15.04%	265,456
Algonquin Library	3,345,000	80.48%	2,692,056
Schools			-
District No. 300	268,404,550	31.66%	84,976,881
District No. 158	84,027,672	9.68%	8,133,879
District No. 509	<u>177,623,253</u>	8.84%	<u>15,701,896</u>
† Subtotal overlapping debt	873,410,230		127,387,306
Village of Algonquin direct debt	<u>1,865,586</u>	100.00%	<u>1,865,586</u>
	<u><u>\$ 875,275,816</u></u>		<u><u>\$ 129,252,892</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, 2017

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

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

VILLAGE OF ALGONQUIN, ILLINOIS

**PLEDGED-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	
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	-	-	-
2017	7,158,562	5,236,555	1,922,007	-	-	-

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
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	5.47%
2017	30,046	**	800,571,395	26,645	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	2017			2008		
	Rank	No. of Employees	Percent of Total Village Population	Rank	No. of Employees	Percent of Total Village Population
School District Number 300	1	405	1.35%	1	404	1.34%
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%	3	160	0.53%
Village of Algonquin	7	145	0.48%	2	171	0.57%
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	0.45%
Duro-Life Corp	-	-	0.00%	6	80	0.27%
Target Manufacturing Inc.	-	-	0.00%	8	50	0.17%
Algonquin State Bank	-	-	0.00%	8	50	0.17%
Schiffmayer Plastics Corp.	-	-	0.00%	7	75	0.25%
Meyer Material Co.	-	-	0.00%	5	100	0.33%
Burnex Corp.	-	-	0.00%	9	30	0.10%
Hanson Material Service Corp.	-	-	0.00%	9	30	0.10%
SubCon Mfg. Corp.	-	-	0.00%	9	30	0.10%
Marshall Wolf Automation, Inc	-	-	0.00%	10	25	0.08%
RE/MAX Unlimited Northwest	-	-	0.00%	10	25	0.08%
Universal Cleaning Services	-	-	0.00%	10	25	0.08%

Data Source

2017 Illinois Manufacturers Directory, 2017 Illinois Services Directory, the Village and a selective telephone survey Spear Financial, March 30, 2017

VILLAGE OF ALGONQUIN, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
GENERAL GOVERNMENT										
Administration	18	22	20	19	19	20	19	19	18	19
Community development	12	12	12	12	12	12	12	12	12	11
PUBLIC SAFETY										
Police										
Officers	49	50	49	49	49	48	46	46	44	46
Civilians	9	11	11	11	11	11	11	10	8	9
PUBLIC WORKS										
Public works administration	7	8	7	6	6	6	6	4	4	4
Public works general services	29	33	33	30	29	30	29	25	26	25
Internal services	7	9	9	9	9	9	8	9	8	9
WATER										
Water and sewer	22	22	22	19	20	20	21	23	21	20
POOL										
	N/A	4	5	5	4	3	4	4	4	4
TOTAL	153	171	168	160	159	159	156	152	145	147

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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
GENERAL GOVERNMENT										
Community Development										
Building permits issued	1,893	3,366	2,092	1,854	2,170	2,354	2,467	4,107	3,122	3,050
Building inspections conducted	4,290	5,720	4,036	2,756	4,096	4,023	4,562	8,589	6,229	6,239
Property maintenance inspections conducted	2,452	3,810	3,483	3,552	4,330	4,605	3,982	4,292	4,737	4,105
PUBLIC SAFETY										
Police										
Physical arrests	703	939	777	660	724	555	511	488	520	640
Parking violations	1,243	992	711	1,375	1,271	1,302	1,287	1,040	839	879
Traffic violations	6,684	6,611	4,524	4,311	4,818	3,708	3,305	2,233	4,937	6,359
PUBLIC WORKS										
Streets										
Street resurfacing (miles)	1.22	0.95	2.50	2.77	1.76	2.00	4.90	5.10	-	4.80
Parks and Recreation										
Park sites	22	22	22	22	22	22	22	22	22	22
Developed park acreage	155	155	155	155	155	155	155	155	155	155
Open space	512	512	512	512	512	512	512	512	512	512
Water										
New Connections (tap-ons)	21	20	5	5	-	13	7	22	2	38
Average daily consumption*	2,946	3,000	2,760	2,590	2,679	2,864	2,682	2,725	2,478	2,401
Peak daily consumption*	4,428	4,200	4,671	3,924	3,382	5,151	4,253	3,231	4,097	3,200
Wastewater										
Average daily sewage treatment **	3.0	3.5	3.1	3.0	2.9	2.8	3.0	2.9	3.1	3.3

*thousands of gallons

**millions of gallons

Data Sources

Various Village departments

VILLAGE OF ALGONQUIN, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
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	286	286	267	256	256	256	130
Streetlights	228	228	228	228	228	189	189	211	211	319
Parks and Recreation										
Acreage	647	667	667	667	667	667	667	667	667	667
Playgrounds	18	18	18	18	18	18	18	18	18	18
Sites with baseball diamonds	9	9	9	9	9	9	9	9	9	9
Sites with soccer fields	11	11	11	11	11	11	11	11	11	11
Sites with basketball courts	14	14	14	14	14	14	14	14	14	14
Sites with tennis courts	5	5	5	5	5	5	5	5	5	5
Water										
Water mains (miles)	168	159	159	170	165	165	165	168	168	168
Fire hydrants	2,207	2,049	2,153	2,176	2,208	2,213	2,213	2,214	2,224	2,276
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	134	136	140	138	135	137	144	145	144
Treatment capacity *	2.828	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000

*thousands of gallons

Data Source

Various Village departments