



THE VILLAGE OF
ALGONQUIN
ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
APRIL 30, 2020

VILLAGE OF ALGONQUIN, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
April 30, 2020

Issued by the Finance Department

Michael Kumbera
Treasurer

Susan Skillman
Comptroller

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INTRODUCTORY SECTION

Village of Algonquin, Illinois
Principal Officials

April 30, 2020

Legislative

Village Board of Trustees

John Schmitt, Village President

Laura Brehmer

Debby Sosine

Jerry Glogowski

John Spella

Janis Jasper

Jim Steigert

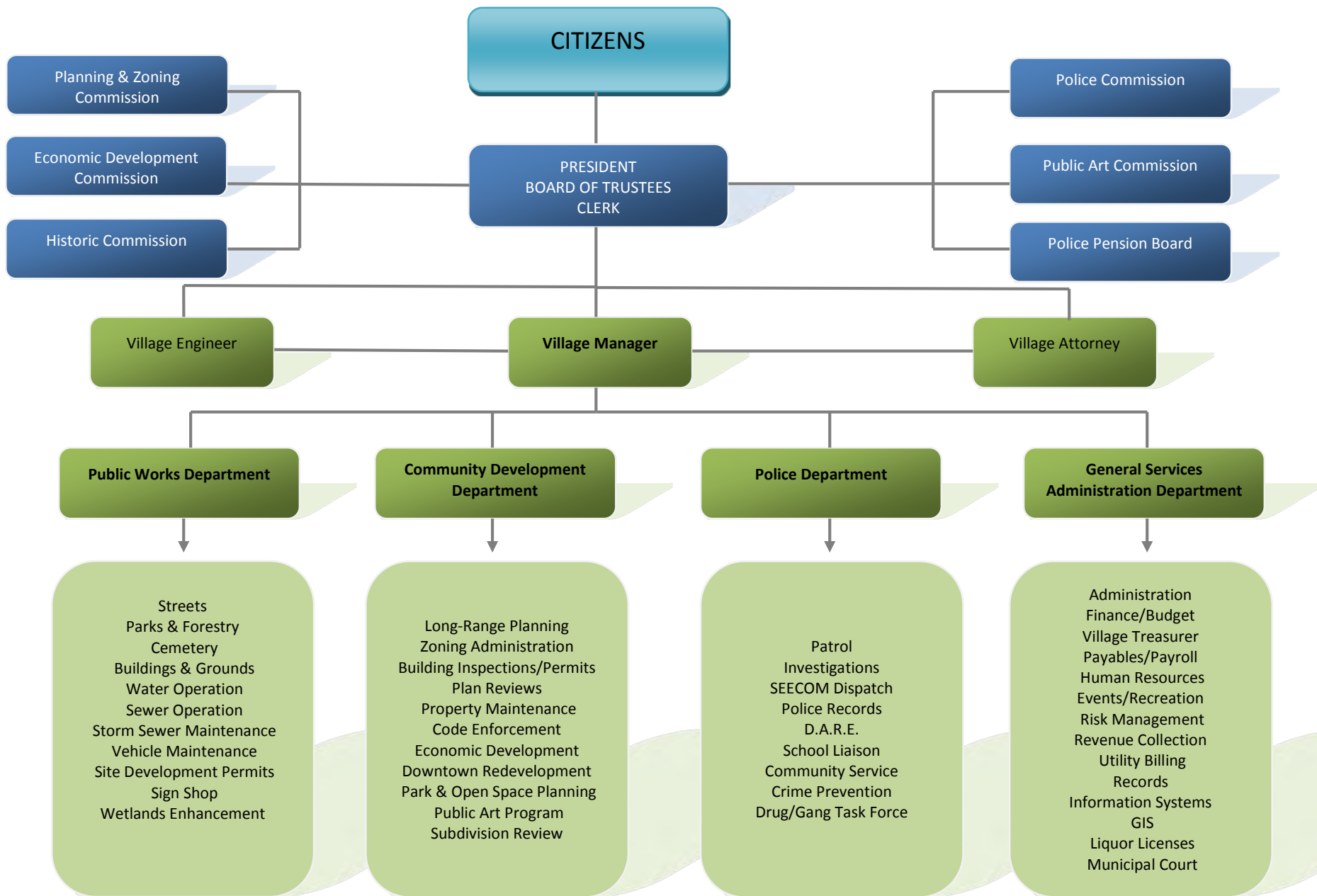
Gerald S. Kautz, Clerk

Appointed Officials

Tim Schloneger, Village Manager

Michael Kumbera, Treasurer

Village of Algonquin 2019 – 2020 Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Village of Algonquin
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2019

Christopher P. Morrill

Executive Director/CEO



Village of Algonquin

The Gem of the Fox River Valley

October 5, 2020

The Honorable Acting 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, 2020, 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, 2020, 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, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of the Village of Algonquin

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

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

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

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

Local Economy

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

Retail trade, professional, scientific, and technical services, health care and social assistance, accommodations and food services are the major industry sectors in Algonquin. The Village's unemployment rate in 2019 was 3.3 percent, which improved from the 2018 rate of 3.6 percent. Algonquin's unemployment rate compares favorably to the State of Illinois (4.0 percent) and the Chicago metropolitan area (3.8 percent).

Growth continued in the local sales tax base across many categories including drinking and eating places, furniture/household items, hardware, and automotive. Notable declines in categories such as general merchandise, food, apparel, drugs/miscellaneous retail, agriculture, and manufacturing correlate to business closings experienced during the period. General Fund sales tax revenues decreased by \$273,741 (or 3.6 percent) to \$7.34 million. Sales tax revenue represented 35 percent of total General Fund revenues for the year.

State-shared income/use tax revenue increased by \$489,756 (or 12.7 percent) to \$4.34 million compared to the prior year. The 2010 Census counts are used in the distribution formula for state-shared revenues. Beginning August 1, 2017, local governments receive 6.06 percent of the net collections of all income tax received from individuals, trusts, and estates, and 6.85 percent of the net collections of all income tax received from corporations.

Assessed property values in Algonquin increased 3.3 percent in 2019 to \$982,740,828, which follows a 5.7 percent increase in 2018 and a 5.7 percent increase in 2017. 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 \$5,371 due to increased volume of residential housing starts in the village. Overall, during the fiscal year ended April 30, 2020, 2,681 permits were issued, down 17.6 percent from the previous year (3,154).

Overall, operating results in the General Fund were positive with actual revenues exceeding budget by 5.9 percent and expenditures were 5.4 percent less than budget. Economic and state legislative trends are being monitored closely to gauge the potential impact on the Village's financial position. Expenditures are being evaluated and reduced whenever necessary and possible, and privatization and shared services are being considered when a cost savings and consistent level of service can be achieved.

Long-Term Financial Planning

The Village continues to use the Home Rule Sales Tax of 0.75 percent for infrastructure and capital purposes. Those funds, together with existing dedicated revenues, strengthen the Village preference of a "pay as you go" philosophy in financing capital projects. The capital improvement program for street and infrastructure improvements is managed from five funds (Motor Fuel Tax, Street Improvement, Park Improvement, Water & Sewer Improvement and Construction, and Village Expansion). With the exception of bonds issued for the financing of the Wastewater Treatment Plant Expansion (2005) and the Village's participation in the Illinois Environmental Protection Agency's (IEPA) Low Interest Loan Program, 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 water and sewer user fees.

The Village invests portions of the surplus cash in local government investment pools as well as fixed income securities as an alternative investment. Investment returns for local government investment pools are correlated to the short-term federal funds rate, which was at 0 to 25 basis points as of April 30, 2020. 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, Illinois Trust, 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, 2020, were 1.8 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, 2020, in funding 68.9 percent of the actuarial accrued liabilities. The actuarial valuation as stated in this report, determined that the net contribution due from the Village is \$2,279,056. The remaining unfunded amount is being systematically funded over 13 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, 2020, the Village had one outstanding debt issue, which is a general obligation bond. Outstanding principal at year-end were \$3.89 million for general obligation bonds. Continuing its practice, the Village abated \$833,626 of the 2019 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, 2020, is \$14.3 million, which represents 68.2 percent of 2020 general fund operating revenues, exceeding the Village's policy guidelines set by the Village Board. These reserves are vital to ensuring the Village's ability to weather volatility in national and state economic conditions, address pension funding requirements and maintain services in the event of unanticipated revenue shortfalls.

Debt outstanding at April 30, 2020, for the one active general obligation bond issue are \$3.89 million. Bond 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 COVID-19 pandemic is the most overarching factor to the Village's financial position, annual work plans, and future projects and initiatives. In FY20, the Village realized significant impacts to sales tax, motor fuel tax, video gaming terminal tax, and investment income. Management continues to monitor revenue trends and work towards eliminating structural deficits in our operation.

The Village is funding three projects through the Illinois Environmental Protection Agency (IEPA) low-interest loan program. These projects include improvements to the Wastewater Treatment Facility, sanitary sewer upgrades between the North Harrison Street Lift Station and the Riverfront Park Lift Station, and sanitary sewer upgrades between the Riverfront Park Lift Station to a new lift station site at Zimmerman Park (La Fox River Drive and Center Street). The total note amount for these three projects is \$24,385,926, with the annual loan service amount total being \$1,488,912.

The development of a Park and Recreation Master Plan for the next ten years is currently underway. This plan will outline projects and goals for parks and recreation services to complete over the next ten years. The planning process will consist of the following components: needs assessment, visioning, identifying, and evaluating community needs, priorities, and opportunities, and creating a phased implementation and financial plan. A draft report is expected to be complete by December 2020.

Construction continues in Old Town Algonquin to transform the district into a beautiful, pedestrian friendly environment while helping to preserve the character and history of the area. The second and third phases of construction (Harrison Street, La Fox River Drive) were substantially completed during FY20 and includes updated utilities, street improvements and enhanced pedestrian amenities. The project is the centerpiece of the multi-year effort to revitalize the Old Town Algonquin area to support local businesses and encourage private investment in the immediate area. A tax increment financing district was established in the Old Town area in 2014 to further advance this outcome.

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

Awards & Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Algonquin for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended April 30, 2019. This was the sixteenth year that the Village has received this prestigious award. In order to be awarded a Certificate of Achievement, the Village published an easily readable and efficiently organized CAFR. This report satisfied both generally accepted accounting principles and applicable legal requirements.

The Village was also recognized by the GFOA for Outstanding Achievement in Popular Annual Financial Reporting for its Popular Annual Financial Report (PAFR) for the fiscal year ending April 30, 2019 for the second year in a row. The PAFR is a summarized report that presents the complex information found within the Village's CAFR in an understandable format for readers without background in public finance.

The Village also received the GFOA's Award for Distinguished Budget Presentation for its 2020 budget document. This was the sixteenth 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 2020 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 Acting 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 Amanda Lichtenberger, Accountant, and all other members of the team who assisted and contributed to the preparation of this report.

Respectfully submitted,



Michael J. Kumbera
Assistant Village Manager/Treasurer

FINANCIAL SECTION

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

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Algonquin, Illinois (the Village) as of and for the year ended April 30, 2020, 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 0.52%, 0.61%, and 0.58% of the assets, net position, and revenues of the governmental activities, respectively. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it related to the amounts included for SEECOM, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of SEECOM were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Algonquin, Illinois, as of April 30, 2020, 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. 83, *Certain Asset Retirement Obligations*, which established standards for measuring and recognizing liabilities, deferred outflows of resources, and expenses for asset retirement obligations; and modified certain disclosures in the notes to financial statements. The Village also adopted GASB Statement No. 84, *Fiduciary Activities*, which modified certain disclosures in the notes to the financial statements. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2020, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Sikich LLP

Naperville, Illinois
September 25, 2020

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

SIKICH.COM

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Algonquin, Illinois (the Village), as of and for the year ended April 30, 2020, and the related notes to financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated September 25, 2020. Our report includes a reference to other auditors who audited the financial statements of Southeast Emergency Communications (SEECOM), as described in our report on the Village of Algonquin's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of SEECOM were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Sikich LLP

Naperville, Illinois
September 25, 2020

**GENERAL PURPOSE
EXTERNAL FINANCIAL STATEMENTS**

Village of Algonquin, Illinois
Management's Discussion and Analysis
April 30, 2020

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

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Transmittal Letter (beginning on page vi) and the Village's financial statements (beginning on page 6).

Financial Highlights

- The Village's net position increased by \$2.6 million (or 1.0%) from FY19 to \$257.8 million.
- The governmental activities net position decreased by \$1.0 million (or 0.5%) from FY19 to \$196.7 million.
- The business type activities net position increased by \$3.6 million (or 5.8%) from FY19 to \$61.1 million.
- The total revenues of all governmental activity programs decreased by \$3.8 million and expenses decreased \$0.1 million from FY19.
- The total revenues of business-type activity programs increased by \$5.6 million and expenses increased \$1.1 million from FY19.
- Total Village expenses increased by \$1.0 million (or 2.6%).
- The Village's combined general fund balance decreased by \$0.8 million from FY19.
- The Village's combined general fund actual revenues were over the budgeted amounts by \$1.1 million and actual expenditures were under the budgeted amounts by \$1.4 million.
- The Village's capital assets increased by \$11.3 million to \$251.16 million from FY19.

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL REPORT

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

Government-Wide Financial Statements

The government-wide financial statements (see pages 6-9) are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns, which add to a total for the Primary Government. The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to be similar to bottom line results for the Village and its governmental and business-type activities. This statement combines and consolidates the governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities (see pages 8-9) is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

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

Fund Financial Statements

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

The Governmental Major Funds (see pages 10-14) presentation is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the Fund Financial Statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith.

The Fund Financial Statements also allow the government to address its Fiduciary Funds (Police Pension, see pages 20 and 21). The Police Pension Fund (a pension trust fund) represents trust responsibilities of the Village. These assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, the assets in this fund are not presented as part of the Government-Wide Financial Statements.

While the Business-type Activities column on the Business-type Fund Financial Statements (see pages 15-19 is the same as the Business-type column on the Government-Wide Financial Statement, the Governmental Major Funds Total column requires a reconciliation. This is because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 12 and 14). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bonds and others) into the Governmental Activities column (in the Government-wide statements).

Infrastructure Assets

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

GOVERNMENT-WIDE STATEMENTS

Statement of Net Position

The Village's combined net position increased by \$2.6 million from FY19 – increasing from \$255.2 million to \$257.8 million. The following analysis will look at net position and net expenses of the governmental and business-type activities separately. The total net position for the governmental activities decreased \$1.0 million from \$197.7 million to \$196.7 million. The business-type activities net position increased by \$3.6 million from \$57.5 million to \$61.1 million. Table 1 reflects the condensed Statement of Net Position compared to FY19. 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 pages 6 and 7.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Current and Other Assets	\$ 33.9	\$ 37.7	\$ 17.2	\$ 17.1	\$ 51.1	\$ 54.8
Capital Assets	194.7	191.5	56.5	48.4	251.2	239.9
Total Assets	228.6	229.2	73.7	65.5	302.3	294.7
Deferred Outflows of Resources	2.9	2.9	1.0	1.2	3.9	4.1
Total Assets & Deferred Outflows	231.5	232.1	74.7	66.7	306.2	298.8
Long-Term Liabilities	22.1	21.3	9.8	6.2	31.9	27.5
Other Liabilities	3.3	4.0	3.1	2.6	6.4	6.6
Total Liabilities	25.4	25.3	12.9	8.8	38.3	34.1
Deferred Inflows of Resources	9.4	9.1	0.6	0.4	10.0	9.5
Total Liabilities & Deferred Inflows	34.8	34.4	13.5	9.2	48.3	43.6
Net Position:						
Net Investment in Capital Assets	194.7	190.8	48.9	43.7	243.6	234.5
Restricted	4.0	4.0	0.8	0.8	4.8	4.8
Unrestricted	(2.0)	2.9	11.4	13.0	9.4	15.9
Total Net Position	\$ 196.7	\$ 197.7	\$ 61.1	\$ 57.5	\$ 257.8	\$ 255.2

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

Normal Impacts

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

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

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

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

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

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

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

Current Year Impacts

The Village's \$2.6 million increase of combined net position (which is the Village's bottom line) was the result of the governmental activities net position decreasing by \$1.0 million and the business-type activities increasing by \$3.6 million.

The governmental activities total assets decreased by \$0.6 million and the governmental activities total liabilities increased by \$0.1 million. The total assets decrease of \$0.6 million was a result of an increase of \$3.2 million in capital assets and a decrease of \$3.8 million in current and other assets. The increase in capital assets was due to increases of \$6.9 million in improvements other than buildings and \$6.8 million in streets/storm sewers/bridges. This was offset with decreases of \$10.0 million in construction in progress, \$0.3 in buildings; and \$0.2 million in vehicles and equipment. The decrease in current and other assets was due mainly to decreases of \$2.2 million in cash and investment; \$1.8 million in internal balances; and \$0.4 million in other taxes. This was offset by increases of \$0.4 million in intergovernmental, grants and contributions; \$0.1 million in investment in joint venture; and \$0.1 million in property tax.

The governmental activities overall deferred outflows of resources remained unchanged at \$2.9 million. Changes within the category included an increase of \$1.2 million in police pension fund-pension items and a decrease of \$1.2 million decrease in IMRF-pension items. OPEB-pension items remained unchanged (See Note 10 - 11 in the Notes to Financial Statements for additional information).

The governmental activities total liabilities increased by \$0.1 million due to an increase of \$0.6 million in accounts payable which was offset by a decrease of \$0.5 million in noncurrent liabilities.

The governmental activities deferred inflows of resources increased \$0.3 million due to the increase of \$0.5 million in IMRF fund-pension items; and \$0.1 million in deferred property tax revenue. This was offset by a decrease of \$0.3 million in police pension fund-pension. (See Note 10 - 11).

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The net position of the business-type activities increased by \$3.6 million from \$57.5 million to \$61.1 million.

Total assets of the business-type activities increased by \$8.2 million from \$65.5 to \$73.7 million. The total assets increase of \$8.2 million was a result of an increase in capital assets of \$8.1 million and an increase in current and other assets of \$0.1 million. The capital asset increase of \$8.1 million in the business-type activities occurred as a result of increases in construction in progress of \$4.4 million; and water and sewer improvements of \$4.1 million. This was offset by decrease of \$0.3 in buildings. The increase in current assets of \$0.1 million was due to an increase of \$1.8 million in internal balances; \$1.1 million in intergovernmental, grants, and contributions; and \$0.3 million in accounts receivable. These were offset by a decrease of \$3.1 million in cash and investments. Revenues exceeded expenses during FY20, which resulted in a positive change in net position of \$3.6 million.

Total liabilities of the business-type activities increased by \$4.1 million from \$8.8 million to \$12.9 million. The noncurrent liabilities increased by \$2.7 million due to IEPA loans incurred during the year; and accounts payable increased \$1.4 million. The business-type activities deferred inflows of resources increased \$0.2 million due to the increase of \$0.2 million in IMRF fund-pension items. (See Note 10 - 11).

Changes in Net Position

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues						
Charges for Service	\$ 1.4	\$ 1.4	\$ 10.7	\$ 9.9	\$ 12.1	\$ 11.3
Operating Grants & Contributions	1.8	1.2	-	-	1.8	1.2
Capital Grants & Contributions	0.8	0.5	-	-	0.8	0.5
General Revenues						
Property Taxes	6.6	6.5	-	-	6.6	6.5
Other Taxes	17.1	17.4	-	-	17.1	17.4
Other	(3.3)	1.2	5.1	0.3	1.8	1.5
Total Revenue	24.4	28.2	15.8	10.2	40.2	38.4
Expenses						
Governmental Activities						
General Government	5.7	5.0	-	-	5.7	5.0
Public Safety	9.9	9.4	-	-	9.9	9.4
Public Works	9.8	11.1	-	-	9.8	11.1
Interest	-	-	-	-	-	-
Business Type						
Water and Sewer	-	-	12.2	11.1	12.2	11.1
Total Expenses	25.4	25.5	12.2	11.1	37.6	36.6
Change in Net Position	(1.0)	2.7	3.6	(0.9)	2.6	1.8
Net position - beginning (Restated)	197.7	195.0	57.5	58.4	255.2	253.4
Net position - ending	\$ 196.7	\$ 197.7	\$ 61.1	\$ 57.5	\$ 257.8	\$ 255.2

Village of Algonquin, Illinois
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There are eight basic impacts on revenues and expenses as reflected below:

Normal Impacts

Revenues:

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

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

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

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

Expenses:

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

Increase in Authorized Personnel – changes in service demand may cause the Village Board to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent 55.8% of the Village's operating costs.

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

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

Governmental Activities

Revenue:

Total revenues for Governmental Activities decreased \$3.8 million from \$28.2 million to \$24.4 million. Decreases of \$4.5 million in other revenues, and \$0.3 million in other taxes were offset by increase of \$0.6 million in operating grants/contributions, \$0.3 million in capital grants/contributions, and \$0.1 million in property taxes. The decrease in other revenues of \$4.5 million were related to transfers of completed capital assets from the general fixed asset group (TIF Fund) to the Business-Type Activities. The decrease in other taxes of \$0.3 million were due to decreases of \$0.3 million in home rule sales tax; \$0.3 million in sales and use tax; \$0.1 million in utility taxes, and \$0.1 million in telecommunications tax. This was offset by a \$0.5 million increase in income tax.

**Village of Algonquin, Illinois
Management's Discussion and Analysis
April 30, 2020**

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 3.3% from levy year 2018 (\$951,587,793) to levy year 2019 (\$982,740,828). The Village's property tax rate was 0.5885 in 2018 and 0.5698 in 2019.

In the general government, state shared income tax increased 11.3% from FY19 to FY20. There was a slight increase in property tax receipts (1.1%). There were decreases in the sales/use tax (3.7%); home rule sales tax (8.2%); utility tax (6.7%); and telecommunication tax (15.0%). Sales/use tax and home rule sales tax decreased due to the COVID19 pandemic beginning in March 2020, which closed down many retail stores, restaurants, etc. Overall, total general revenues decreased 13.47% from FY19 to FY20; the majority of this was from transfers of capital assets rather than lost revenues.

Expenses:

The Village's governmental activities total expenses decreased \$0.1 million for FY20.

General Government expenses increased \$0.7 million from \$5.0 million to \$5.7 million. The General Government expenses increased mainly due to increases of \$0.1 million in salaries; \$0.2 in contractual services; and the remaining additional expenses were related to the government wide adjustments for capital assets during FY20.

Public Safety expenses increased \$0.5 million from \$9.4 million to \$9.9 million. The Public Safety expenses had increases of \$0.1 million in salaries; the remaining additional expenses being related to the increase in the government wide adjustment for the police pension expenses during FY 20.

Public Works expenses decreased \$1.3 million from \$11.1 million to \$9.8 million. The Public Works expense decreases were related to the government wide adjustments for capital asset during FY20.

Interest expenses remained unchanged.

Business-type Activities

Revenue:

Total revenues for Business-type Activities increased \$5.6 million from \$10.2 million to \$15.8 million. There was an increase of \$0.8 million in charges for service; and \$4.8 million in other revenues. The \$0.8 million increase in charges for services included an increase of \$1.2 million in water and sewer revenue, which was offset by decreases of \$0.3 million in connection fees and \$0.1 million in developer contributions. The \$4.8 million increase in other revenues includes an increase for a transfer of governmental (TIF Fund) for capital assets of \$4.7 million; and \$0.1 million in investment income. Water and sewer revenue increased due to annual rate increases. Connections fees decreased \$0.3 million due to slowdowns in new development in FY20.

Expenses:

The Village's Business-type Activities total expenses increased \$1.1 million from \$11.1 million to \$12.2 million. The increase in expenses was due to increase of \$0.6 million in infrastructure maintenance, \$0.3 million in engineering, \$0.2 million in salaries, \$0.1 in professional services; \$0.1 in maintenance-collection station; \$0.1 million in depreciation, and \$0.1 million in various other expenses. This was offset by decreases in expenses for the sewer maintenance-treatment facility of \$0.4 million.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Governmental Funds

At April 30, 2020, the governmental funds (as presented on the balance sheet on page 10-11) reported a combined fund balance of \$23.2 million or a decrease of 16.7% from \$27.8 million at the beginning of the year. Of the total fund balance, (\$3.8) million is unassigned due to the liabilities in the TIF Fund. The General Fund has an unassigned fund balance of \$15.4 million, which indicates availability for continuing Village services. Total assets increased \$2.5 million and total liabilities and deferred inflows of resources increased \$7.2 million for an overall decrease of \$4.7 million in fund balance.

The increase of \$2.5 million in total assets consisted of an increase of \$4.7 in advance to other funds (TIF), \$1.1 million in cash and equivalents, \$0.4 in intergovernmental, grants, contributions, and \$0.1 million in property tax receivables. These increases were offset by a decrease of \$3.3 million in investments; and \$0.5 million other taxes. The increase in total liabilities and deferred inflows of resources of \$7.2 million was due to increases of \$6.4 million in advances from other funds (TIF), \$0.7 million in accounts payable, and \$0.1 million in deferred inflows of resources for unavailable property tax revenue.

The general fund total fund balance decreased \$0.8 million from \$18.5 million in FY19 to \$17.7 million in FY20. General fund assets had a net decrease of \$1.2 million due to decreases of \$1.0 million in cash and investments and \$0.2 million in other taxes. General fund total liabilities decreased \$0.4 million due to a decrease in accounts payable. Deferred inflows of resources for property tax revenue remained unchanged from FY19 to FY20.

The street improvement fund total fund balance increased \$2.9 million to \$20.5 million from FY19 to FY20. Assets increased \$4.1 million from FY19 to FY20. This included an increase in advances to other funds of \$4.7 million (TIF fund expenses). This increase was offset by a decrease of \$0.4 million in cash and investments; and \$0.2 million in intergovernmental, grants, and contributions. Street improvement fund total liabilities increased \$1.2 million due to an increase in accounts payable from FY19 to FY20.

The downtown TIF district fund was a major fund in FY20 and total fund balance decreased \$5.9 million to a negative fund balance of (\$19.2) million from FY19 to FY20. Assets increased \$0.7 million due to an increase of \$0.6 million in cash and investments and \$0.1 million in property tax receivables. Total liabilities increased \$6.4 million due to an increase in advances from other funds. Deferred inflows of resources increased \$0.2 million due to an increase in unavailable property tax revenue from FY19 to FY20.

General Fund Budgetary Highlights

Below is a table that reflects the budget and the actual revenues and expenditures for the General Fund. More information can be found on the schedule of revenues, expenditures and changes in fund balance – budget and actual on page 60. Actual spending was \$1.4 million less than the budget, which was due to actual expenses less than budget of \$0.2 million in general government, \$0.3 million in public safety, \$0.8 million in public works, and \$0.1 million in transfers and other financing sources (uses).

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

The \$0.3 million savings in public safety expenses was due to savings of \$0.2 million in personnel and \$0.1 million in contractual services.

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The \$0.8 million savings in public works was due to savings of \$0.5 million in contractual services, \$0.2 million in personnel, and \$0.1 million in overall general services division expenses.

	Original Budget	Amended Budget	Actual
Revenues			
Taxes	\$ 6.126	\$ 6.126	\$ 6.135
Intergovernmental, Grants & Contributions	11.771	11.771	12.470
Other	2.096	2.096	2.518
Total Revenues	\$ 19.993	\$ 19.993	\$ 21.123
Expenditures and Transfers			
Expenditures	\$ 19.476	\$ 19.690	\$ 18.355
Transfers and Other Financing Sources (Uses)	3.600	3.668	3.571
Total Expenditures and Transfers Out	23.076	23.358	21.926
Change in Fund Balance	\$ (3.083)	\$ (3.365)	\$ (0.803)

Capital Assets

At the end of FY20, the Village had a combined total of capital assets of \$251.16 million invested in a broad range of capital assets including land, buildings, vehicles, streets, bridges, storm sewers, water mains and sanitary sewer lines. (See Table 4 below.) This amount represents a net increase (including additions and deletions) of \$11.34 million.

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

- Downtown Streetscape Improvements (TIF – streetscape/water/sewer) for \$4.9 million.
- Downtown Streetscape Utilities Improvements (IEPA Loan) for \$3.6 million.
- Water Treatment Plant Improvements for \$2.2 million.
- Sleepy Hollow Road Construction for \$3.0 million.
- Terrace Hill Road Construction for \$1.0 million.
- Crystal Creek Bridge Replacement for \$1.0 million.
- Wastewater Treatment Facility Improvements Phase 6B (IEPA Loan) for \$0.8 million.
- MCCD Trailhead and LaFox River Drive Bridge Improvements for \$0.5 million.
- Kelliher Park Parking Lot Replacement for \$0.4 million.
- Creek's Crossing Park Drainage & Improvements for \$0.3 million.
- Randall Road Watermain Relocation for \$0.3 million.
- Souwanas Creek Reach 2 Restoration for \$0.3 million.
- Woods Creek Reach 4 Improvements for \$0.1 million.
- PRV Replacement Program for \$0.1 million.

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	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Land & Right of Way	\$ 95.94	\$ 95.94	\$ 3.64	\$ 3.64	\$ 99.58	\$ 99.58
Construction in Progress	4.59	14.64	5.43	1.03	10.02	15.67
Buildings	9.31	9.62	10.90	11.25	20.21	20.87
Vehicles and Equipment	0.92	1.09	0.20	0.25	1.12	1.34
Improvements other than Building	16.38	9.49	-	-	16.38	9.49
Streets, Storm Sewers, Bridges	67.51	60.67	-	-	67.51	60.67
Water and Sewer	-	-	36.34	32.20	36.34	32.20
Total	\$ 194.65	\$ 191.45	\$ 56.51	\$ 48.37	\$ 251.16	\$ 239.82

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

	Governmental Activities	Business-Type Activities	Total
Beginning Balance	\$ 191.45	\$ 48.37	\$ 239.82
Additions			
Depreciable	\$ 19.03	\$ 7.22	\$ 26.25
Non-Depreciation	-	-	-
Construction in Progress	12.09	6.68	18.77
Retirements			
Depreciable	(1.90)	(0.18)	(2.08)
Non-Depreciation	-	-	-
Construction in Progress	(22.14)	(2.28)	(24.42)
Depreciation			
Retirement	(3.88)	(3.30)	(7.18)
Ending Balance	\$ 194.65	\$ 56.51	\$ 251.16

The Governmental Activities net Capital Assets net increase of \$3.2 million was due to increases in improvements other than building (\$6.9 million); and streets/storm sewers/bridges (\$6.8 million). These were offset by decreases in construction in progress (\$10.0 million); buildings (\$0.3 million) and vehicles and equipment (\$0.2 million). The improvements other than building and streets/storm sewers/bridges increased substantially due to completion of a portion of the downtown streetscape improvement projects being constructed as part of the downtown TIF area. This accounts for the large decrease in construction in progress. The remaining various account decreases were due to normal depreciation expense.

The Business-type Activities net increase of \$8.1 million in net Capital Assets was due mainly to increases noted in construction in progress (\$4.4 million); and water and sewer improvements (\$4.1 million). Decreases were due mainly to normal depreciation expense.

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

Debt Outstanding

Since the mid-1990's, the Village of Algonquin has followed a "pay-as-you-go" philosophy to funding capital projects. Exceptions to this philosophy had been bonds issued to pay for the construction of the Village Hall (Ganek Municipal Center) in 1995-1996 and the Public Works Facility in 2002-2003. In December 2005, the Village authorized Bond Series 2005A for \$9,000,000 to partially finance the expansion of Phase 6 of the Wastewater Treatment Plant. Bond Series 2013 was issued for \$7,645,000 to refund Series 2005A. Bond Series 2005B was issued for \$2,935,000 to refund Series 2002B for the construction of Village Hall (Ganek Municipal Center). Bond Series 2014A was issued for \$2,885,000 to refund Series 2005B and the repayment of this bond series was completed in FY20. During FY20, the Village entered into a loan agreement with the Illinois Environmental Protection Agency for improvements to the Wastewater Treatment Facility and watermain/sewermain improvements to the Downtown TIF area. During FY20, the IEPA loan payable balance was \$3,686,408 and portions of the loan is expected to begin repayment during FY21.

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 FY20, 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 one general obligation bond series. A total of \$3.885 million of general obligation bonds were outstanding at April 30, 2020. The governmental activities have no general obligation bonds outstanding; business-type activities have \$3.885 million of general obligation bonds outstanding.

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

Additional information concerning long-term debt can be found in Note 7.

Economic Factors

The Village will continue to rely on sales tax and property taxes until the state economy improves and the state is able to operate a balanced budget without impairing local governments. The Village held the property tax levy steady in recent years and the property tax rate has decreased due to the increase in the Village's EAV. The 2019 tax extension remained flat for property tax collections in FY20.

The COVID19 pandemic did have some effect on Village revenues relating to decreases in home rule sales tax (\$0.3 million) and sales/use tax (\$0.3 million) during FY20. However, these were offset by increases in income tax (\$0.5 millions) and property tax (\$0.1 million). The Village expects to see continued revenue declines during FY21 due to COVID19 as we have realized significant impacts to sales tax, motor fuel tax, video gaming terminal tax, and investment income. Management continues to monitor revenue trends and work towards eliminating structural deficits in operations.

Village of Algonquin, Illinois
Management's Discussion and Analysis
April 30, 2020

The FY20 state income and local use tax per capita combined decreased by 0.3% from FY19. This was primarily due to decreases in the income tax disbursements and per capita of 4.9%. Current estimates indicate that the 2020 per-capita allocations will trend downward in FY21, mainly due to the increase in unemployment due to the COVID19 pandemic. 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 decreased during FY20 (from 86 permits in 2018 to 49 in 2020). The number of new permits for commercial construction decreased (4 permits in 2018 to 3 in 2019). The Village's growth in EAV and property tax receipts continue to increase each year. The property tax receipts had a 1.2% increase from FY19 to FY20. Combined sales tax and home rule sales tax experienced a 5.3% decrease from FY19 to FY20.

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, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 18,534,050	\$ 7,662,308	\$ 26,196,358
Investments	9,162,864	993,905	10,156,769
Restricted investments	-	833,625	833,625
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	6,316,348	-	6,316,348
Other taxes	2,647,447	-	2,647,447
Intergovernmental, grants, and contributions	471,574	1,118,149	1,589,723
IPBC	141,609	-	141,609
Accrued interest	25,897	-	25,897
Accounts	10,973	1,473,185	1,484,158
Other	338,139	-	338,139
Internal balances	(5,123,443)	5,123,443	-
Prepaid items	85,171	24,641	109,812
Inventory	124,026	-	124,026
Investment in joint venture	1,191,821	-	1,191,821
Capital assets			
Nondepreciable	100,528,832	9,073,515	109,602,347
Depreciable, net of accumulated depreciation	94,122,074	47,433,151	141,555,225
 Total assets	 228,577,382	 73,735,922	 302,313,304
DEFERRED OUTFLOWS OF RESOURCES			
Pension items - Police Pension Fund	1,295,406	-	1,295,406
Pension items - IMRF	970,492	441,463	1,411,955
Pension items - OPEB	647,656	169,828	817,484
Asset retirement obligation	-	261,591	261,591
Deferred loss on refunding	-	88,502	88,502
 Total deferred outflows of resources	 2,913,554	 961,384	 3,874,938
 Total assets and deferred outflows of resources	 231,490,936	 74,697,306	 306,188,242

(This statement is continued on the following page.)

VILLAGE OF ALGONQUIN, ILLINOIS

STATEMENT OF NET POSITION (Continued)

April 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts payable	\$ 3,062,577	\$ 3,100,840	\$ 6,163,417
Accrued interest	-	9,886	9,886
Unearned revenue - other	124,628	-	124,628
Other liabilities	55,944	-	55,944
Noncurrent liabilities			
Due within one year	803,183	895,901	1,699,084
Due in more than one year	21,316,039	8,909,111	30,225,150
Total liabilities	25,362,371	12,915,738	38,278,109
DEFERRED INFLOWS OF RESOURCES			
Pension items - Police Pension Fund	1,667,950	-	1,667,950
Pension items - IMRF	1,325,572	602,984	1,928,556
Pension items - OPEB	131,231	34,411	165,642
Deferred property tax revenue	6,316,348	-	6,316,348
Total deferred inflows of resources	9,441,101	637,395	10,078,496
Total liabilities and deferred inflows of resources	34,803,472	13,553,133	48,356,605
NET POSITION			
Net investment in capital assets	194,650,906	48,875,410	243,526,316
Restricted for			
Donor programs	763,501	-	763,501
Insurance	390,936	-	390,936
Street maintenance	2,385,376	-	2,385,376
Capital projects	109,247	-	109,247
Cemetery	350,787	-	350,787
Debt service	-	833,625	833,625
Unrestricted	(1,963,289)	11,435,138	9,471,849
TOTAL NET POSITION	\$ 196,687,464	\$ 61,144,173	\$ 257,831,637

See accompanying notes to financial statements.

VILLAGE OF ALGONQUIN, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2020

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 5,647,200	\$ 1,076,651	\$ 100,644	\$ 400
Public safety	9,897,004	287,109	470,519	31,818
Public works	9,834,769	6,968	1,186,176	804,218
Debt service - interest and fees	13,687	-	-	-
Total governmental activities	<u>25,392,660</u>	<u>1,370,728</u>	<u>1,757,339</u>	<u>836,436</u>
Business-Type Activities				
Waterworks and sewerage	12,153,331	10,722,645	-	-
Total business-type activities	<u>12,153,331</u>	<u>10,722,645</u>	<u>-</u>	<u>-</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 37,545,991</u>	<u>\$ 12,093,373</u>	<u>\$ 1,757,339</u>	<u>\$ 836,436</u>

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
	\$ (4,469,505)	\$ -	\$ (4,469,505)
	(9,107,558)	-	(9,107,558)
	(7,837,407)	-	(7,837,407)
	(13,687)	-	(13,687)
	<u>(21,428,157)</u>	<u>-</u>	<u>(21,428,157)</u>
	-	(1,430,686)	(1,430,686)
	-	(1,430,686)	(1,430,686)
	<u>(21,428,157)</u>	<u>(1,430,686)</u>	<u>(22,858,843)</u>
General Revenues			
Taxes			
Property	6,565,496	-	6,565,496
Home rule sales tax	3,833,333	-	3,833,333
Utility	898,906	-	898,906
Telecommunications	507,495	-	507,495
Hotel	44,820	-	44,820
Video gaming tax	114,787	-	114,787
Intergovernmental, unrestricted			
Sales and use tax	7,344,889	-	7,344,889
Personal property replacement	77,921	-	77,921
Income tax	4,336,427	-	4,336,427
Franchise fees	498,795	-	498,795
Investment income	738,705	265,156	1,003,861
Miscellaneous	152,602	114,484	267,086
Transfers	(4,684,636)	4,684,636	-
Total	<u>20,429,540</u>	<u>5,064,276</u>	<u>25,493,816</u>
CHANGE IN NET POSITION	(998,617)	3,633,590	2,634,973
NET POSITION, MAY 1	<u>197,686,081</u>	<u>57,510,583</u>	<u>255,196,664</u>
NET POSITION, APRIL 30	<u>\$ 196,687,464</u>	<u>\$ 61,144,173</u>	<u>\$ 257,831,637</u>

See accompanying notes to financial statements.

VILLAGE OF ALGONQUIN, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2020

	General	Street Improvement	Downtown TIF District	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
ASSETS					
Cash and cash equivalents	\$ 7,791,679	\$ 5,370,646	\$ 1,629,912	\$ 3,741,813	\$ 18,534,050
Investments	7,486,418	1,550,351	-	126,095	9,162,864
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	5,600,011	-	716,337	-	6,316,348
Other taxes	1,780,706	816,940	-	49,801	2,647,447
Intergovernmental, grants, and contributions	1,363	-	-	470,211	471,574
IPBC	141,609	-	-	-	141,609
Accrued interest	25,897	-	-	-	25,897
Other	338,139	-	-	-	338,139
Due from other funds	75,218	-	-	-	75,218
Advance to other funds	654,966	15,037,526	-	-	15,692,492
Prepaid items	84,989	-	-	182	85,171
TOTAL ASSETS	\$ 23,980,995	\$ 22,775,463	\$ 2,346,249	\$ 4,388,102	\$ 53,490,809

(This statement is continued on the following page.)

VILLAGE OF ALGONQUIN, ILLINOIS

BALANCE SHEET (Continued)
GOVERNMENTAL FUNDS

April 30, 2020

	General	Street Improvement	Downtown TIF District	Nonmajor Governmental Funds	Total Governmental Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 469,457	\$ 2,273,731	\$ -	\$ 287,999	\$ 3,031,187
Unearned revenue	124,628	-	-	-	124,628
Advances from other funds	-	-	20,815,935	-	20,815,935
Other liabilities	55,944	-	-	-	55,944
Total liabilities	650,029	2,273,731	20,815,935	287,999	24,027,694
DEFERRED INFLOWS OF RESOURCES					
Unavailable property tax revenue	5,600,011	-	716,337	-	6,316,348
Total deferred inflows of resources	5,600,011	-	716,337	-	6,316,348
Total liabilities and deferred inflows of resources	6,250,040	2,273,731	21,532,272	287,999	30,344,042
FUND BALANCES					
Nonspendable					
Prepays	84,989	-	-	182	85,171
Advances	654,966	-	-	-	654,966
Restricted					
Donor programs	763,501	-	-	-	763,501
Insurance	390,936	-	-	-	390,936
Street maintenance	-	-	-	2,385,376	2,385,376
Capital projects	-	-	-	109,247	109,247
Cemetery	-	-	-	350,787	350,787
Unrestricted					
Assigned					
Capital projects	277,657	20,501,732	-	1,254,511	22,033,900
Debt service	-	-	-	-	-
Historic commission	10,108	-	-	-	10,108
Special purpose	164,619	-	-	-	164,619
Unassigned (deficit)	15,384,179	-	(19,186,023)	-	(3,801,844)
Total fund balances (deficit)	17,730,955	20,501,732	(19,186,023)	4,100,103	23,146,767
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
	\$ 23,980,995	\$ 22,775,463	\$ 2,346,249	\$ 4,388,102	\$ 53,490,809

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, 2020

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 23,146,767
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	194,650,906
Less internal service fund capital assets included below	(60,883)
Investment in joint venture is not considered to represent a financial resource and, therefore, is not reported in the funds	1,191,821
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position	89,274
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	(355,080)
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	(372,544)
Differences between expected and actual experiences, assumption changes, and net difference between projected and actual earnings for other postemployment benefits are recognized as deferred outflows and inflows or resources on the statement of net position	516,425
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	
Total OPEB liability	(1,951,255)
Compensated absences	(1,158,086)
Net pension liability - IMRF	(2,257,827)
Net pension liability - Police Pension Plan	(16,752,054)
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 196,687,464</u></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, 2020

	General	Street Improvement	Downtown TIF District	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 6,135,032	\$ 4,960,612	\$ 561,559	\$ 307,635	\$ 11,964,838
Intergovernmental, grants, and contributions	12,470,414	230,149	-	1,707,605	14,408,168
Charges for services	280,690	-	-	17,300	297,990
Licenses and permits	642,865	-	-	-	642,865
Fines and forfeits	311,253	-	-	-	311,253
Investment income	591,942	78,192	729	67,844	738,707
Miscellaneous	690,787	-	-	24,071	714,858
Total revenues	21,122,983	5,268,953	562,288	2,124,455	29,078,679
EXPENDITURES					
Current					
General government	4,521,277	-	493,194	31,847	5,046,318
Public safety	9,574,851	-	-	-	9,574,851
Public works	4,123,703	1,440,022	-	1,653,964	7,217,689
Capital outlay	127,817	4,355,379	5,915,580	848,348	11,247,124
Debt service					
Principal retirement	-	-	-	615,000	615,000
Interest and fiscal charges	6,897	-	-	15,910	22,807
Total expenditures	18,354,545	5,795,401	6,408,774	3,165,069	33,723,789
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,768,438	(526,448)	(5,846,486)	(1,040,614)	(4,645,110)
OTHER FINANCING SOURCES (USES)					
Transfers in	41,563	3,470,000	-	142,500	3,654,063
Transfers (out)	(3,612,500)	-	-	(41,563)	(3,654,063)
Total other financing sources (uses)	(3,570,937)	3,470,000	-	100,937	-
NET CHANGE IN FUND BALANCES	(802,499)	2,943,552	(5,846,486)	(939,677)	(4,645,110)
FUND BALANCES (DEFICIT), MAY 1	18,533,454	17,558,180	(13,339,537)	5,039,780	27,791,877
FUND BALANCES (DEFICIT), APRIL 30	\$ 17,730,955	\$ 20,501,732	\$ (19,186,023)	\$ 4,100,103	\$ 23,146,767

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, 2020

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (4,645,110)
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	13,689,281
The capital contribution to the enterprise fund are only reported in the statement of activities	(4,684,636)
The loss on the disposal of capital assets is reported as an expense in the statement of activities	(848,614)
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	615,000
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	(112,706)
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	(58,603)
The change in the total OPEB liability and related deferred inflows and outflows are only reported in the statement of activities	(74,646)
The change in net position of the internal service funds is reported only in the statement of activities	(22,219)
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	(4,930,693)
Change in investment in joint venture	136,547
Change in compensated absences	(71,338)
Change in accrued interest payable	1,281
Amortization of bond premium	17,747
Amortization of deferred loss on refunding	(9,908)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ (998,617)

See accompanying notes to financial statements.

VILLAGE OF ALGONQUIN, ILLINOIS

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

April 30, 2020

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage	Internal Service
CURRENT ASSETS		
Cash and cash equivalents	\$ 7,662,308	\$ -
Investments	993,905	-
Receivables		
Grants	1,118,149	-
Accounts	1,473,185	10,973
Prepaid items	24,641	-
Inventory	-	124,026
Restricted assets - investments	833,625	-
	12,105,813	134,999
NONCURRENT ASSETS		
Advances to other funds	5,123,443	-
Capital assets		
Nondepreciable	9,073,515	-
Depreciable, net of accumulated depreciation	47,433,151	60,883
	56,506,666	60,883
	61,630,109	60,883
	73,735,922	195,882
DEFERRED OUTFLOWS OF RESOURCES		
Pension items - IMRF	441,463	-
Pension items - OPEB	169,828	-
Asset retirement obligation	261,591	-
Deferred loss on refunding	88,502	-
	961,384	-
	74,697,306	195,882

(This statement is continued on the following page.)

VILLAGE OF ALGONQUIN, ILLINOIS

STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS

April 30, 2020

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage	Internal Service
CURRENT LIABILITIES		
Accounts payable	\$ 3,100,840	\$ 31,390
Accrued interest	9,886	-
Due to other funds	-	75,218
Current portion of long-term debt	895,901	-
	4,006,627	106,608
LONG-TERM LIABILITIES		
Long-term liabilities	8,909,111	-
	8,909,111	-
	12,915,738	106,608
DEFERRED INFLOWS OF RESOURCES		
Pension items - IMRF	602,984	-
Pension items - OPEB	34,411	-
	637,395	-
	13,553,133	106,608
NET POSITION		
Net investment in capital assets	48,875,410	60,883
Restricted for debt service	833,625	-
Unrestricted	11,435,138	28,391
	\$ 61,144,173	\$ 89,274

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, 2020

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage	Internal Service
OPERATING REVENUES		
Charges for services	\$ 9,290,907	\$ -
Administrative fee	98,962	-
Infrastructure fee	1,332,776	-
Maintenance billings	-	1,367,079
Fleet maintenance and fuel	-	304,662
Miscellaneous	114,484	1,733
Total operating revenues	<u>10,837,129</u>	<u>1,673,474</u>
OPERATING EXPENSES		
Water operations	2,992,312	-
Sewer operations	2,768,859	-
Nondepartmental	2,787,728	-
Building services	-	741,443
Vehicle maintenance	-	950,408
Depreciation	3,474,204	16,047
Total operating expenses	<u>12,023,103</u>	<u>1,707,898</u>
OPERATING INCOME (LOSS)	<u>(1,185,974)</u>	<u>(34,424)</u>
NON-OPERATING REVENUES (EXPENSES)		
Gain on sale of capital assets	-	12,205
Investment income	265,156	-
Interest expense and fiscal agent fees	(130,228)	-
Total non-operating revenues (expenses)	<u>134,928</u>	<u>12,205</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(1,051,046)	(22,219)
CAPITAL CONTRIBUTIONS	<u>4,684,636</u>	<u>-</u>
CHANGE IN NET POSITION	3,633,590	(22,219)
NET POSITION, MAY 1	<u>57,510,583</u>	<u>111,493</u>
NET POSITION, APRIL 30	<u>\$ 61,144,173</u>	<u>\$ 89,274</u>

See accompanying notes to financial statements.

VILLAGE OF ALGONQUIN, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended April 30, 2020

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 10,388,222	\$ 304,662
Cash received for interfund services provided	-	1,375,689
Cash paid to suppliers	(5,358,152)	(986,617)
Cash paid to employees	(3,062,348)	(752,546)
Other receipts (payments)	114,484	1,733
	2,082,206	(57,079)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Interfund activity	(1,749,129)	31,612
	(1,749,129)	31,612
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from sale of fixed assets	-	24,549
Purchase of capital assets	(5,435,590)	-
Interest paid on bonds	(139,696)	-
Proceeds from issuance of notes payable	2,568,259	-
Principal paid on general obligation bond maturities	(695,000)	-
	(3,702,027)	24,549
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investment securities	(1,175,665)	-
Sale of investment securities	3,704,475	-
Interest received	265,156	-
	2,793,966	-
NET DECREASE IN CASH AND CASH EQUIVALENTS	(574,984)	(918)
CASH AND CASH EQUIVALENTS, MAY 1	8,237,292	918
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 7,662,308	\$ -

(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, 2020

	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)	\$ (1,185,974)	\$ (34,424)
Adjustments to reconcile operating income (loss) to net cash from operating activities		
Depreciation and amortization	3,474,204	16,047
Changes in assets and liabilities		
Accounts receivable	(329,608)	6,940
Prepaid items	(4,815)	-
Inventory	-	(154)
Deferred outflow of resources - ARO	8,409	-
Accounts payable	(95,382)	(45,488)
Pension and OPEB related items	183,333	-
Compensated absences payable	32,039	-
NET CASH FROM OPERATING ACTIVITIES	\$ 2,082,206	\$ (57,079)
NONCASH TRANSACTIONS		
IEPA loan receivable and payable	\$ 1,118,149	\$ -
Capital asset additions included in accounts payable	2,715,525	-

See accompanying notes to financial statements.

VILLAGE OF ALGONQUIN, ILLINOIS

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

April 30, 2020

	<u>Police Pension</u>
ASSETS	
Cash and short-term investments	\$ 580,553
Investments	
U.S. Treasury securities	3,570,988
U.S. agency securities	3,042,111
Equity mutual funds	17,855,440
Equities	1,919,187
The Illinois Funds	251,265
Money market mutual funds	562,104
Municipal bonds	290,808
Bond mutual fund	107,192
Corporate bonds	5,110,811
Receivables	
Accrued interest receivable	<u>91,642</u>
 Total assets	 <u>33,382,101</u>
LIABILITIES	
None	<u>-</u>
 Total liabilities	 <u>-</u>
 NET POSITION RESTRICTED FOR PENSIONS	 <u><u>\$ 33,382,101</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, 2020

ADDITIONS

Contributions	
Employer	\$ 1,985,000
Employee	468,893
	<hr/>
Total contributions	2,453,893
Investment income	
Net depreciation in fair value of investments	(145,722)
Interest	808,232
	<hr/>
Total investment income	662,510
Less investment expense	(90,347)
	<hr/>
Net investment income	572,163
Total additions	3,026,056

DEDUCTIONS

Benefits and refunds	1,378,453
Administration	32,941
	<hr/>
Total deductions	1,411,394

NET INCREASE 1,614,662

**NET POSITION RESTRICTED
FOR PENSIONS**

May 1	<hr/>
	31,767,439
April 30	<hr/>
	\$ 33,382,101
	<hr/>

See accompanying notes to financial statements.

VILLAGE OF ALGONQUIN, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2020

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. A discretely presented component unit, on the other hand, is reported in a separate column on the government-wide financial statements to emphasize it is legally separate from the Village. The Village has no discretely presented component units.

The Village's financial statements include the Police Pension System (the PPS) as a fiduciary component unit reported as a Pension Trust Fund. The Village's sworn police employees participate in the PPS. The PPS functions for the benefit of those employees and is governed by a five-member pension board. Two members appointed by the Mayor, one elected retired police officer, and two elected police officers constitute the pension board. The Village and the PPS participants are obligated to fund all the PPS costs based upon actuarial valuations, including administrative costs. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of the contribution levels. Accordingly, the PPS is fiscally dependent on the Village. Separate financial statements are not available for the PPS.

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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

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.

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. The Village utilizes a pension trust fund which is used to account for assets that the Village holds in a fiduciary capacity or on behalf of others as their agent.

c. Government-Wide and Fund Financial Statements

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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 year intended to finance criteria for recognition in the current period. Unearned revenues arise when resources are received

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

e. Cash and Investments

Cash and Cash Equivalents

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

Investments

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

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

f. Interfund Receivables/Payables

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Prepaid Items/Expenses and Inventory

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

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

h. Capital Assets

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Compensated Absences

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

j. Fund Balance/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Long-Term Obligations (Continued)

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

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

l. Interfund Transactions

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

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Use of Estimates

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

2. DEPOSITS AND INVESTMENTS

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

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

a. Village Deposits and Investments

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

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

2. DEPOSITS AND INVESTMENTS (Continued)

a. Village Deposits and Investments (Continued)

Deposits with Financial Institutions

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. It is the policy of the Village to require that funds on deposit in excess of FDIC limits be secured by some form of collateral. The amount of collateral provided will not be less than 105% of the fair value of the net amount of public funds secured. Pledged collateral will be held in safekeeping by an independent third-party depository designated by the Village and evidenced by a safekeeping agreement in the Village's name. As of April 30, 2020, the Village was not exposed to custodial credit risk as all deposits were either insured or collateralized with securities held by the Village or its agent, in the Village's name.

Investments

The following table presents the investments and maturities of the Village's securities subject to interest rate risk as of April 30, 2020:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury securities	\$ 391,788	\$ -	\$ 391,788	\$ -	\$ -
U.S. agency securities	941,318	67,565	621,963	150,263	101,527
Municipal bonds	391,593	151,973	239,620	-	-
Negotiable certificates of deposit	3,751,695	408,374	3,343,321	-	-
TOTAL	\$ 5,476,394	\$ 627,912	\$ 4,596,692	\$ 150,263	\$ 101,527

The Village has the following recurring fair value measurements as of April 30, 2020: The U.S. agency securities, U.S. Treasury securities, municipal bonds, and negotiable CDs are valued using quoted matrix pricing models (Level 2 inputs).

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Village limits its exposure to interest rate risk by (1) structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, (2) managing fixed-income investments where the investor builds a ladder by dividing his or her investment dollars evenly among bonds or CDs that mature at regular intervals such as every six months, once a year, or every two years, and (3) investing operating funds primarily in shorter term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio in accordance with this policy.

2. DEPOSITS AND INVESTMENTS (Continued)

a. Village Deposits and Investments (Continued)

Investments (Continued)

To the extent possible, the Village will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Village will not directly invest in securities maturing more than three years or, in the case of mortgage-backed securities, the expected average life of any fixed income security shall not exceed three years, from the date of purchase. Reserve funds may be invested in securities exceeding three years if the maturity or average life of such investments is made to coincide as nearly as practicable with the expected use of the funds. Any investment purchased with a maturity or average life longer than five years must be supported with written documentation explaining the reason for the purchase and must be specifically approved by the Board of Trustees.

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, 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, pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors, and diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized. The Illinois Funds and Illinois Metropolitan Investment Fund (IMET) are rated AAA. The Village's U.S. agency securities have ratings from AA+ to AAA. The Village's Municipal Bonds have ratings from AA+ to AA-. The negotiable certificates of deposit are not rated.

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 in the Village's name and a written custodial agreement. The Illinois Funds and IMET are not subject to custodial credit risk.

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

2. DEPOSITS AND INVESTMENTS (Continued)

a. Village Deposits and Investments (Continued)

Investments (Continued)

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

3. RECEIVABLES - PROPERTY TAXES

Property taxes for the 2019 levy year attach as an enforceable lien on January 1, 2019, 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, 2020 and August 1, 2020, and are payable in two installments, on or about June 1, 2020 and September 1, 2020. 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 2019 taxes are intended to finance the 2021 fiscal year and are not considered available for current operations and are, therefore, shown as unavailable/deferred revenue. The 2020 tax levy has not been recorded as a receivable at April 30, 2020, as the tax attached as a lien on property as of January 1, 2020; however, the tax will not be levied until December 2020 and, accordingly, is not measurable at April 30, 2020.

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

4. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2020 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 95,936,885	\$ -	\$ -	\$ 95,936,885
Construction in progress	14,641,897	12,093,373	22,143,323	4,591,947
Total capital assets not being depreciated	110,578,782	12,093,373	22,143,323	100,528,832
Capital assets being depreciated				
Buildings	15,976,573	-	-	15,976,573
Improvements other than buildings	20,959,399	8,273,936	-	29,233,335
Vehicles and equipment	6,861,477	127,517	416,018	6,572,976
Streets/storm sewers/bridges	112,598,066	10,624,751	1,488,330	121,734,487
Total capital assets being depreciated	156,395,515	19,026,204	1,904,348	173,517,371
Less accumulated depreciation for				
Buildings	6,347,155	319,008	-	6,666,163
Improvements other than buildings	11,474,014	1,379,467	-	12,853,481
Vehicles and equipment	5,771,520	283,055	403,674	5,650,901
Streets/storm sewers/bridges	51,927,649	2,949,163	652,060	54,224,752
Total accumulated depreciation	75,520,338	4,930,693	1,055,734	79,395,297
Total capital assets being depreciated, net	80,875,177	14,095,511	848,614	94,122,074
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 191,453,959	\$ 26,188,884	\$ 22,991,937	\$ 194,650,906
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 3,644,048	\$ -	\$ -	\$ 3,644,048
Construction in progress	1,026,509	6,677,576	2,274,618	5,429,467
Total capital assets not being depreciated	4,670,557	6,677,576	2,274,618	9,073,515
Capital assets being depreciated				
Water and sewer system	93,676,626	7,223,513	105,907	100,794,232
Buildings	17,403,306	-	-	17,403,306
Vehicles and equipment	1,291,398	-	81,258	1,210,140
Total capital assets being depreciated	112,371,330	7,223,513	187,165	119,407,678
Less accumulated depreciation for				
Water and sewer system	61,475,463	3,064,711	88,565	64,451,609
Buildings	6,152,171	348,066	-	6,500,237
Vehicles and equipment	1,042,512	61,427	81,258	1,022,681
Total accumulated depreciation	68,670,146	3,474,204	169,823	71,974,527
Total capital assets being depreciated, net	43,701,184	3,749,309	17,342	47,433,151
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	\$ 48,371,741	\$ 10,426,885	\$ 2,291,960	\$ 56,506,666

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

4. CAPITAL ASSETS (Continued)

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

GOVERNMENTAL ACTIVITIES	
General government	\$ 190,591
Public safety	80,869
Highways and streets	<u>4,659,233</u>
TOTAL DEPRECIATION EXPENSE -	
GOVERNMENTAL ACTIVITIES	<u>\$ 4,930,693</u>

5. RISK MANAGEMENT

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

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

The Village participates in the Intergovernmental Personnel Benefit Cooperative.

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

Complete financial statement, the latest available dated June 30, 2019, 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 \$611,142 to SEECOM during fiscal year 2020. In addition, the Village’s equity interest in the joint venture’s net position of \$1,191,821 is recorded within the governmental activities column of the statement of net position.

7. LONG-TERM DEBT

a. General Obligation Bonds

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

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
\$2,885,000 General Obligation Refunding Bond Series 2014A, due in annual installments of \$10,000 to \$615,000, plus interest of 2.00% to 2.50% payable each April 1 and October 1 through April 1, 2020.	Debt Service	\$ 615,000	\$ -	\$ 615,000	\$ -	\$ -
\$7,645,000 General Obligation Refunding Bond Series 2013, due in annual installments of \$570,000 to \$830,000, plus interest of 3.00% to 3.25% payable each April 1 and October 1 through April 1, 2025.	Waterworks and Sewerage	4,580,000	-	695,000	3,885,000	715,000
TOTAL GENERAL OBLIGATION BONDS		\$ 5,195,000	\$ -	\$ 1,310,000	\$ 3,885,000	\$ 715,000

b. IEPA loans payable

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
\$5,164,060 IEPA loan payable, due in semiannual installments, plus interest of 2%.	Waterworks and Sewerage	\$ -	\$ 3,686,408	\$ -	\$ 3,686,408	\$ -
TOTAL GENERAL OBLIGATION BONDS		\$ -	\$ 3,686,408	\$ -	\$ 3,686,408	\$ -

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

7. LONG-TERM DEBT (Continued)

c. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year	Business-Type Activities General Obligation Bonds	
	Principal	Interest
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	\$ 3,885,000	\$ 368,725

The repayment schedule for the IEPA loan payable is not determinable as the loan has not officially entered the repayment period.

d. Changes in Long-Term Liabilities

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

	Balances May 1, Restated	Issuances	Retirements	Balances April 30	Current Portion
General obligation bonds payable	\$ 615,000	\$ -	\$ 615,000	\$ -	\$ -
Unamortized premium	17,747	-	17,747	-	-
Compensated absences*	1,086,755	1,395,134	1,323,802	1,158,087	712,638
Net pension liability (IMRF)*	3,854,145	-	1,596,318	2,257,827	-
Net pension liability (Police Pension)*	15,199,572	1,552,482	-	16,752,054	-
Total OPEB liability*	1,858,202	93,053	-	1,951,255	90,545
TOTAL	\$ 22,631,421	\$ 3,040,669	\$ 3,552,867	\$ 22,119,223	\$ 803,183

*These liabilities are generally retired by the General Fund.

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

7. LONG-TERM DEBT (Continued)

d. Changes in Long-Term Liabilities (Continued)

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

	Balances May 1, Restated	Issuances	Retirements	Balances April 30	Current Portion
General obligation bonds payable	\$ 4,580,000	\$ -	\$ 695,000	\$ 3,885,000	\$ 715,000
Unamortized premium	173,423	-	25,073	148,350	-
IEPA loan payable	-	3,686,408	-	3,686,408	-
Asset retirement obligation	-	270,000	-	270,000	-
Compensated absences payable	244,505	330,688	298,649	276,544	157,158
Net pension liability (IMRF)	1,624,790	-	597,738	1,027,052	-
Total OPEB liability	467,808	43,850	-	511,658	23,743
TOTAL	\$ 7,090,526	\$ 4,330,946	\$ 1,616,460	\$ 9,805,012	\$ 895,901

e. Asset Retirement Obligation

The Village has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon nine water wells at the end of their estimated useful lives in accordance state requirements. The ARO was measured using actual historical costs for similar abandonments, adjusted for inflation through the end of the year and engineering estimates. The estimated remaining useful lives of the water wells range from 18 to 46 years.

8. INDIVIDUAL FUND DISCLOSURES

Individual fund amounts due to other funds were as follows:

Fund	Due from	Due to
General	\$ 75,218	\$ -
Internal Service Funds	-	75,218
TOTAL	\$ 75,218	\$ 75,218

The purposes of significant interfund balances are as follows:

- The balances between the General Fund and the Internal Service Funds were for short-term interfund loans. Repayment is expected within one year.

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

8. INDIVIDUAL FUND DISCLOSURES (Continued)

Individual fund advances were as follows:

Fund	Advances to	Advances from
General	\$ 654,966	\$ -
Street Improvement Fund	15,037,526	-
Downtown TIF District Fund	-	20,815,935
Water and Sewer	5,123,443	-
TOTAL	\$ 20,815,935	\$ 20,815,935

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	\$ 41,563	\$ 3,612,500
Street Improvement	3,470,000	-
Nonmajor governmental	142,500	41,563
TOTAL	\$ 3,654,063	\$ 3,654,063

The purposes of significant transfers are as follows:

- The General Fund transferred surplus monies per the budget to the Parks and Street Improvement Funds.

9. CONTINGENT LIABILITIES

a. Litigation

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

9. CONTINGENT LIABILITIES (Continued)

b. Grants

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

10. DEFINED BENEFIT PENSION PLANS

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

The aggregate amount of pension expense recognized for all plans was \$2,927,270 for the year ended April 30, 2020.

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, 2019, IMRF membership consisted of:

Inactive employees or their beneficiaries	
currently receiving benefits	56
Inactive employees entitled to but not yet receiving benefits	62
Active employees	<u>85</u>
 TOTAL	 <u><u>203</u></u>

Benefits Provided

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

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

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

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution for the fiscal year ended April 30, 2020 was 10.29% 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, 2019 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, 2019
Actuarial cost method	Entry-age Normal
Assumptions	
Inflation	2.50%
Salary increases	3.35% to 14.25%
Interest rate	7.25%
Asset valuation method	Fair value

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

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. 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, 2019	\$ 32,199,934	\$ 26,720,999	\$ 5,478,935
Changes for the period			
Service cost	674,525	-	674,525
Interest	2,327,014	-	2,327,014
Difference between expected and actual experience	221,880	-	221,880
Changes in assumptions	-	-	-
Employer contributions	-	601,151	(601,151)
Employee contributions	-	295,523	(295,523)
Net investment income	-	4,606,042	(4,606,042)
Benefit payments and refunds	(880,903)	(880,903)	-
Administrative expense	-	(85,241)	85,241
Net changes	2,342,516	4,536,572	(2,194,056)
BALANCES AT DECEMBER 31, 2019	\$ 34,542,450	\$ 31,257,571	\$ 3,284,879

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, 2019, the Village recognized pension expense of \$883,667.

At April 30, 2020, 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	\$ 471,815	\$ 337,516
Changes in assumption	696,848	537,132
Contributions made between January 1, 2020 and April 30, 2020	243,292	-
Net difference between projected and actual earnings on pension plan investments	-	1,053,908
TOTAL	\$ 1,411,955	\$ 1,928,556

\$243,292 reported as deferred outflows of resources related to the Village contributions subsequent to the measurement date and will be recognized as a reduction of net pension liability in the reporting year ending April 30, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year Ending April 30,</u>	
2021	\$ (266,292)
2022	(287,151)
2023	177,704
2024	(389,524)
2025	5,370
Thereafter	-
TOTAL	\$ (759,893)

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ 8,427,536	\$ 3,284,879	\$ (833,640)

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, 2020, the measurement date, the Police Pension Plan membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	20
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	<u>47</u>
 TOTAL	 <u><u>69</u></u>

Benefits Provided

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

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided (Continued)

the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. However, the Village has elected to fund 100% of the past service cost by 2033. For the year ended April 30, 2020, the Village's contribution was 45.22% of covered payroll.

Investment Policy

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

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, 2020.

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

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

*Net of inflation assumption of 1.70%.

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

Investment Valuations

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

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Rate of Return

For the year ended April 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.79%. 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, 2020, 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, 2020:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury securities	\$ 3,570,988	\$ 339,234	\$ 864,816	\$ 721,314	\$ 1,645,624
U.S. agency securities	3,042,111	60,577	395,265	665,934	1,920,335
Bond mutual fund	107,192	-	107,192	-	-
Corporate bonds	5,110,811	-	1,721,323	2,047,660	1,341,828
Municipal bonds	290,808	130,357	160,451	-	-
TOTAL	\$ 12,121,910	\$ 530,168	\$ 3,249,047	\$ 3,434,908	\$ 4,907,787

The Fund has the following recurring fair value measurements as of April 30, 2020: The U.S. Treasury obligations, equity and bond mutual funds, and equity securities are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. agency obligations, municipal bonds, and corporate bonds are valued using quoted matrix pricing models (Level 2 inputs).

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Credit Risk

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in U.S. Treasury and U.S. agency obligations and other obligations which are rated in the top three classes by a national rating agency. The U.S. agency obligations are rated AAA by Moody's and AA+ by Standard and Poor's. The corporate bonds range in rating from AAA to BBB- and AAA-BAA3 by Standard and Poor's and Moody's, respectively. The municipal bonds range in rating from AAA-AA3 by Standard and Poor's. The Illinois Funds and IMET are rated AAA. The bond mutual fund is not rated.

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 and bond mutual funds are not subject to custodial credit risk.

Discount Rate

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

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Changes in Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT MAY 1, 2019	\$ 46,967,010	\$ 31,767,439	\$ 15,199,571
Changes for the period			
Service cost	1,086,951	-	1,086,951
Interest	3,123,750	-	3,123,750
Difference between expected and actual experience	154,826	-	154,826
Changes in assumptions	(32,162)	-	(32,162)
Changes of benefit terms	212,233	-	212,233
Employer contributions	-	1,985,000	(1,985,000)
Employee contributions	-	468,893	(468,893)
Net investment income	-	572,163	(572,163)
Benefit payments and refunds	(1,378,453)	(1,378,453)	-
Administrative expense	-	(32,941)	32,941
Net changes	3,167,145	1,614,662	1,552,483
BALANCES AT APRIL 30, 2020	\$ 50,134,155	\$ 33,382,101	\$ 16,752,054

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, 2020 using the following actuarial methods and assumptions.

Actuarial valuation date	April 30, 2020
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.75% to 21.26%
Interest rate	6.75%
Postretirement benefit increases	3.00%
Asset valuation method	Fair Value

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

Discount Rate Sensitivity

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net pension liability	\$ 26,014,660	\$ 16,752,054	\$ 9,461,450

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, 2020, the Village recognized police pension expense of \$2,043,603. At April 30, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 191,943	\$ 516,009
Changes in assumption	-	1,151,941
Net difference between projected and actual earnings on pension plan investments	<u>1,103,463</u>	<u>-</u>
TOTAL	<u>\$ 1,295,406</u>	<u>\$ 1,667,950</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>	
2021	\$ (74,175)
2022	36,790
2023	25,581
2024	56,859
2025	(264,602)
Thereafter	<u>(152,997)</u>
TOTAL	<u>\$ (372,544)</u>

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

11. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

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

b. Benefits Provided

With the exception of funding HMO medical health care for police officers who retired due to a duty related disability, retired village employees are required to fully fund the premium for the health care policy. For certain disabled employees who qualify for health insurance benefits under the Public Safety Employee Benefits Act (PSEBA), the Village is required to pay 100% of the cost of basic health insurance for the employee and their dependents until they are Medicare eligible. The Plan provides medical and dental insurance benefits to eligible retirees and their dependents. The benefits, benefit levels, and employer contributions are governed by the Village Board of Trustees and can only be amended by the Village Board of Trustees. The Plan is not accounted for as a trust fund and an irrevocable trust has not been established.

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

c. Membership

At April 30, 2019, membership consisted of:

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

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

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

d. Actuarial Assumptions and Other Inputs

The total OPEB liability was measured at April 30, 2020, as determined by an actuarial valuation as of April 30, 2019, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

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

The discount rate was based on the S&P Municipal Bond 20 Year High-Grade Rate Index at April 30, 2020.

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

The actuarial assumptions used in the April 30, 2020 valuation are based on 20% participation assumed, with 40% electing spouse coverage.

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

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT MAY 1, 2019	<u>\$ 2,326,010</u>
Changes for the period	
Service cost	47,364
Interest	73,158
Difference between expected and actual experience	-
Changes in benefit terms	-
Changes in assumptions	110,280
Benefit payments	<u>(93,899)</u>
Net changes	<u>136,903</u>
BALANCES AT APRIL 30, 2020	<u>\$ 2,462,913</u>

There were changes in assumptions related to the discount rate.

f. Rate Sensitivity

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

	1% Decrease (2.21%)	Current Discount Rate (3.21%)	1% Increase (4.21%)
Total OPEB liability	\$ 2,790,172	\$ 2,462,913	\$ 2,195,431

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

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

f. Rate Sensitivity (Continued)

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

	1% Decrease (3.50% to 4.50%-5.50%)	Current Healthcare Rate (4.50% to 5.50%-6.50%)	1% Increase (5.50% to 6.50%-7.50%)
Total OPEB liability	\$ 2,164,687	\$ 2,462,913	\$ 2,828,185

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

For the year ended April 30, 2020, the Village recognized OPEB expense of \$202,354. At April 30, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 82,766
Changes in assumptions	817,484	82,876
TOTAL	\$ 817,484	\$ 165,642

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

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

Year Ending April 30,	
2021	\$ 81,833
2022	81,833
2023	81,833
2024	81,833
2025	81,833
Thereafter	<u>242,677</u>
TOTAL	<u>\$ 651,842</u>

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF ALGONQUIN, ILLINOIS

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

For the Year Ended April 30, 2020

	Original Budget	Final Budget	Actual
REVENUES			
Taxes	\$ 6,126,000	\$ 6,126,000	\$ 6,135,032
Intergovernmental, grants, and contributions	11,771,000	11,771,000	12,470,414
Charges for services	281,700	281,700	280,690
Licenses and permits	620,000	620,000	642,865
Fines and forfeits	376,100	376,100	311,253
Investment income	239,000	239,000	591,942
Miscellaneous	579,300	579,300	690,787
	<hr/>		
Total revenues	19,993,100	19,993,100	21,122,983
EXPENDITURES			
Current			
General government	4,653,950	4,713,950	4,521,277
Public safety	9,836,600	9,836,600	9,574,851
Public works	4,710,100	4,880,213	4,123,703
Debt service			
Capital lease principal	53,500	48,500	-
Interest and fiscal charges	1,250	1,250	6,897
Capital outlay	220,300	209,300	127,817
	<hr/>		
Total expenditures	19,475,700	19,689,813	18,354,545
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	517,400	303,287	2,768,438
<hr/>			
OTHER FINANCING SOURCES (USES)			
Transfers in	176,500	176,500	259,031
Transfers (out)	(3,776,500)	(3,844,000)	(3,829,968)
	<hr/>		
Total other financing sources (uses)	(3,600,000)	(3,667,500)	(3,570,937)
<hr/>			
NET CHANGE IN FUND BALANCE	\$ (3,082,600)	\$ (3,364,213)	(802,499)
<hr/>			
FUND BALANCE, MAY 1			18,533,454
<hr/>			
FUND BALANCE, APRIL 30			\$ 17,730,955
<hr/>			

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

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

For the Year Ended April 30, 2020

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	\$ 540,000	\$ 540,000	\$ 561,559
Investment income	200	200	729
Total revenues	540,200	540,200	562,288
EXPENDITURES			
General government			
Engineering services	40,200	40,200	493,194
Capital outlay	500,000	500,000	5,915,580
Total expenditures	540,200	540,200	6,408,774
NET CHANGE IN FUND BALANCE	\$ -	\$ -	(5,846,486)
FUND BALANCE (DEFICIT), MAY 1			(13,339,537)
FUND BALANCE (DEFICIT), APRIL 30			\$ (19,186,023)

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

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

Last Five Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2016	2017	2018	2019	2020
Actuarially determined contribution	\$ 753,644	\$ 745,068	\$ 750,471	\$ 669,837	\$ 636,395
Contributions in relation to the actuarially determined contribution	(753,644)	(745,068)	(750,471)	(669,837)	(636,395)
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 6,631,156	\$ 6,465,839	\$ 6,547,827	\$ 6,268,862	\$ 6,184,848
Contributions as a percentage of covered payroll	11.37%	11.52%	11.46%	10.69%	10.29%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior IMRF plan year. Additional information as of the latest valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization period was 24 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 3.35% to 14.25% compounded annually, wage growth of 3.25%, and inflation of 2.75%.

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

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Actuarially determined contribution	\$ 916,506	\$ 933,392	\$ 987,225	\$ 1,010,427	\$ 1,178,898	\$ 1,239,425	\$ 1,836,961	\$ 1,899,008	\$ 1,983,552	\$ 1,984,537
Contributions in relation to the actuarially determined contribution	916,349	937,750	978,923	1,025,000	1,179,000	1,240,000	1,837,000	1,900,000	1,992,834	1,985,000
CONTRIBUTION DEFICIENCY (Excess)	\$ 157	\$ (4,358)	\$ 8,302	\$ (14,573)	\$ (102)	\$ (575)	\$ (39)	\$ (992)	\$ (9,282)	\$ (463)
Covered payroll	\$ 4,008,376	\$ 4,145,760	\$ 4,221,895	\$ 4,193,768	\$ 4,151,265	\$ 4,077,186	\$ 4,250,692	\$ 4,095,714	\$ 4,107,186	\$ 4,389,213
Contributions as a percentage of covered payroll	22.86%	22.62%	23.19%	24.44%	28.40%	30.41%	43.22%	46.39%	48.52%	45.22%

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 15 years; the asset valuation was at five-year smoothed market value; and the significant actuarial assumptions were an investment rate of return at 6.75% annually, and projected salary increases assumption of 4.00% - 21.51%.

VILLAGE OF ALGONQUIN, ILLINOIS

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

Last Five Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019
TOTAL PENSION LIABILITY					
Service cost	\$ 756,829	\$ 727,336	\$ 716,835	\$ 642,958	\$ 674,525
Interest	1,819,378	1,956,191	2,069,862	2,142,009	2,327,014
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(161,237)	(547,368)	(158,856)	459,661	221,880
Changes of assumptions	40,403	(82,880)	(972,243)	1,075,268	-
Benefit payments, including refunds of member contributions	(550,096)	(608,099)	(596,206)	(717,199)	(880,903)
Net change in total pension liability	1,905,277	1,445,180	1,059,392	3,602,697	2,342,516
Total pension liability - beginning	24,187,388	26,092,665	27,537,845	28,597,237	32,199,934
TOTAL PENSION LIABILITY - ENDING	\$26,092,665	\$27,537,845	\$28,597,237	\$32,199,934	\$34,542,450
PLAN FIDUCIARY NET POSITION					
Contributions - employer	\$ 773,192	\$ 745,680	\$ 755,526	\$ 704,046	\$ 601,151
Contributions - member	304,371	295,560	301,686	297,345	295,523
Net investment income	106,029	1,484,262	3,758,504	(1,053,036)	4,606,042
Benefit payments, including refunds of member contributions	(550,096)	(608,099)	(596,206)	(717,199)	(880,903)
Administrative expense	(456,684)	54,700	(211,695)	391,002	(85,241)
Net change in plan fiduciary net position	176,812	1,972,103	4,007,815	(377,842)	4,536,572
Plan fiduciary net position - beginning	20,942,111	21,118,923	23,091,026	27,098,841	26,720,999
PLAN FIDUCIARY NET POSITION - ENDING	\$21,118,923	\$23,091,026	\$27,098,841	\$26,720,999	\$31,257,571
EMPLOYER'S NET PENSION LIABILITY	\$ 4,973,742	\$ 4,446,819	\$ 1,498,396	\$ 5,478,935	\$ 3,284,879
Plan fiduciary net position as a percentage of the total pension liability	80.94%	83.85%	94.76%	82.98%	90.49%
Covered payroll	\$ 6,631,156	\$ 6,484,170	\$ 6,530,052	\$ 6,263,753	\$ 6,242,492
Employer's net pension liability as a percentage of covered payroll	75.01%	68.58%	22.95%	87.47%	52.62%

Notes to Required Supplementary Information

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

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

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

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

Last Six Fiscal Years

MEASUREMENT DATE APRIL 30,	2015	2016	2017	2018	2019	2020
TOTAL PENSION LIABILITY						
Service cost	\$ 806,170	\$ 861,719	\$ 1,038,677	\$ 987,120	\$ 1,053,751	\$ 1,086,951
Interest	2,306,932	2,602,515	2,704,064	2,778,626	2,936,198	3,123,750
Changes of benefit terms	-	-	-	-	-	212,233
Differences between expected and actual experience	481,935	(277,976)	(328,182)	(257,967)	65,822	154,826
Changes of assumptions	2,726,115	(744,218)	(1,238,868)	-	-	(32,162)
Benefit payments, including refunds of member contributions	(539,305)	(903,832)	(971,371)	(1,170,770)	(1,175,988)	(1,378,453)
Net change in total pension liability	5,781,847	1,538,208	1,204,320	2,337,009	2,879,783	3,167,145
Total pension liability - beginning	33,225,843	39,007,690	40,545,898	41,750,218	44,087,227	46,967,010
TOTAL PENSION LIABILITY - ENDING	\$ 39,007,690	\$ 40,545,898	\$ 41,750,218	\$ 44,087,227	\$ 46,967,010	\$ 50,134,155
PLAN FIDUCIARY NET POSITION						
Contributions - employer	\$ 1,179,000	\$ 1,240,000	\$ 1,837,000	\$ 1,900,000	\$ 1,992,834	\$ 1,985,000
Contributions - member	415,618	450,578	423,716	409,143	415,056	468,893
Net investment income	1,125,257	(67,703)	2,101,867	1,712,063	2,117,431	572,163
Benefit payments, including refunds of member contributions	(539,305)	(903,832)	(971,371)	(1,170,771)	(1,175,988)	(1,378,453)
Administrative expense	(27,755)	(28,723)	(40,032)	(43,767)	(35,747)	(32,941)
Net change in plan fiduciary net position	2,152,815	690,320	3,351,180	2,806,668	3,313,586	1,614,662
Plan fiduciary net position - beginning	19,452,870	21,605,685	22,296,005	25,647,185	28,453,853	31,767,439
PLAN FIDUCIARY NET POSITION - ENDING	\$ 21,605,685	\$ 22,296,005	\$ 25,647,185	\$ 28,453,853	\$ 31,767,439	\$ 33,382,101
EMPLOYER'S NET PENSION LIABILITY	\$ 17,402,005	\$ 18,249,893	\$ 16,103,033	\$ 15,633,374	\$ 15,199,571	\$ 16,752,054
Plan fiduciary net position as a percentage of the total pension liability	55.39%	54.99%	61.43%	64.54%	67.64%	66.59%
Covered payroll	\$ 4,151,265	\$ 4,077,186	\$ 4,250,692	\$ 4,095,714	\$ 4,107,186	\$ 4,389,213
Employer's net pension liability as a percentage of covered payroll	419.20%	447.61%	378.83%	381.70%	370.07%	381.66%

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.

2019-2020: There was a change with respect to the following assumptions: projected individual pay increases, inflation rate, mortality rate, mortality improvement rates, retirement rates, termination rates, disability rates and marital assumptions. There were changes in plan benefits required under PA-101-0610 (SB 1300).

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

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

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

Last Two Fiscal Years

MEASUREMENT DATE APRIL 30,	2019	2020
TOTAL OPEB LIABILITY		
Service cost	\$ 43,171	\$ 47,364
Interest	57,199	73,158
Changes of benefit terms	-	-
Differences between expected and actual experience	(103,808)	-
Changes of assumptions	797,515	110,280
Benefit payments	(87,605)	(93,899)
Net change in total OPEB liability	706,472	136,903
Total OPEB liability - beginning	1,619,538	2,326,010
TOTAL OPEB LIABILITY - ENDING	\$ 2,326,010	\$ 2,462,913
Covered payroll	\$ 10,179,525	\$ 10,179,525
Employer's total OPEB liability as a percentage of covered payroll	22.85%	24.19%

Notes to Required Supplementary Information

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

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

Changes in assumptions:

2020 - There were changes in assumptions related to the discount rate.

2019 - There were changes in assumptions related to the discount rate and health care trend rate. In addition, there were changes to the per capita costs and decrements were changed to reflect the most recent IMRF and Police Pension Fund valuation reports.

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

**SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND**

Last Six Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2015	2016	2017	2018	2019	2020
Annual money-weighted rate of return, net of investment expense	5.77%	(0.31%)	9.37%	6.67%	7.42%	1.79%

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, 2020

1. BUDGETS

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

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

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

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

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

2. EXPENDITURES OVER BUDGET OF INDIVIDUAL FUNDS

The following funds had expenditures that exceeded budget:

<u>Fund</u>	<u>Final Budget</u>	<u>Expenditures</u>
Downtown TIF District Fund	\$ 540,200	\$ 6,408,774

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

MAJOR GOVERNMENTAL FUNDS

VILLAGE OF ALGONQUIN, ILLINOIS

COMBINING BALANCE SHEET
GENERAL FUND - BY ACCOUNT

April 30, 2020

	Operating	Public Swimming Pool	Special Revenue	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS				
Cash and cash equivalents	\$ 7,071,223	\$ 6,243	\$ 714,213	\$ 7,791,679
Investments	7,221,355	-	265,063	7,486,418
Receivables				
Property tax	5,600,011	-	-	5,600,011
Other taxes	1,778,509	-	2,197	1,780,706
Intergovernmental, grants, and contributions	1,363	-	-	1,363
IPBC	141,609	-	-	141,609
Accrued interest	25,897	-	-	25,897
Other	338,139	-	-	338,139
Due from other funds	75,218	-	-	75,218
Advance to other funds	654,966	-	-	654,966
Prepaid items	83,896	1,093	-	84,989
	<u>22,992,186</u>	<u>7,336</u>	<u>981,473</u>	<u>23,980,995</u>
Total assets				
	22,992,186	7,336	981,473	23,980,995
DEFERRED OUTFLOWS OF RESOURCES				
None	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
	<u>\$ 22,992,186</u>	<u>\$ 7,336</u>	<u>\$ 981,473</u>	<u>\$ 23,980,995</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 267,544	\$ 9,823	\$ 192,090	\$ 469,457
Unearned revenue	78,500	-	46,128	124,628
Other liabilities	55,944	-	-	55,944
	<u>401,988</u>	<u>9,823</u>	<u>238,218</u>	<u>650,029</u>
Total liabilities				
	401,988	9,823	238,218	650,029
DEFERRED INFLOWS OF RESOURCES				
Unavailable property tax revenue	5,600,011	-	-	5,600,011
	<u>5,600,011</u>	<u>-</u>	<u>-</u>	<u>5,600,011</u>
Total liabilities and deferred inflows of resources				
	6,001,999	9,823	238,218	6,250,040
FUND BALANCES				
Nonspendable				
Prepays	83,896	1,093	-	84,989
Advances	654,966	-	-	654,966
Restricted				
Insurance	390,936	-	-	390,936
Donor programs	368,502	-	394,999	763,501
Assigned				
Capital projects	277,657	-	-	277,657
Historic commission	10,108	-	-	10,108
Special purpose	-	-	164,619	164,619
Unassigned (deficit)	15,204,122	(3,580)	183,637	15,384,179
	<u>16,990,187</u>	<u>(2,487)</u>	<u>743,255</u>	<u>17,730,955</u>
Total fund balances (deficit)				
	16,990,187	(2,487)	743,255	17,730,955
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
	<u>\$ 22,992,186</u>	<u>\$ 7,336</u>	<u>\$ 981,473</u>	<u>\$ 23,980,995</u>

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

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

For the Year Ended April 30, 2020

	Operating	Public Swimming Pool	Special Revenue	Eliminations	Total
REVENUES					
Taxes	\$ 6,090,212	\$ -	\$ 44,820	\$ -	\$ 6,135,032
Intergovernmental, grants, and contributions	12,470,414	-	-	-	12,470,414
Charges for services	198,315	82,375	-	-	280,690
Licenses and permits	642,865	-	-	-	642,865
Fines and forfeits	305,253	-	6,000	-	311,253
Investment income	580,307	5	11,630	-	591,942
Miscellaneous	662,368	28,419	-	-	690,787
Total revenues	20,949,734	110,799	62,450	-	21,122,983
EXPENDITURES					
Current					
General government	4,214,112	295,395	11,770	-	4,521,277
Public safety	9,574,851	-	-	-	9,574,851
Public works	4,042,487	-	81,216	-	4,123,703
Debt service					
Interest and fiscal charges	6,897	-	-	-	6,897
Capital outlay	127,817	-	-	-	127,817
Total expenditures	17,966,164	295,395	92,986	-	18,354,545
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,983,570	(184,596)	(30,536)	-	2,768,438
OTHER FINANCING SOURCES (USES)					
Transfers in	76,563	182,468	-	(217,468)	41,563
Transfers (out)	(3,794,968)	-	(35,000)	217,468	(3,612,500)
Total other financing sources (uses)	(3,718,405)	182,468	(35,000)	-	(3,570,937)
NET CHANGE IN FUND BALANCES	(734,835)	(2,128)	(65,536)	-	(802,499)
FUND BALANCES (DEFICIT), MAY 1	17,725,022	(359)	808,791	-	18,533,454
FUND BALANCES (DEFICIT), APRIL 30	\$ 16,990,187	\$ (2,487)	\$ 743,255	\$ -	\$ 17,730,955

(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, 2020

	Original Budget	Final Budget	Actual
TAXES			
Property taxes			
Road and bridge	\$ 380,000	\$ 380,000	\$ 408,895
Social Security	450,000	450,000	449,599
Insurance	450,000	450,000	449,599
IMRF	300,000	300,000	299,733
Police protection	2,415,000	2,415,000	2,412,863
Police pension	1,985,000	1,985,000	1,983,249
Telecommunications tax	100,000	100,000	86,274
Total taxes	6,080,000	6,080,000	6,090,212
LICENSES AND PERMITS			
Liquor licenses	115,000	115,000	131,638
Building permits	440,000	440,000	445,371
Miscellaneous licenses	65,000	65,000	65,856
Total licenses and permits	620,000	620,000	642,865
INTERGOVERNMENTAL, GRANTS, AND CONTRIBUTIONS			
Income tax	3,675,000	3,675,000	4,336,427
Sales tax	7,750,000	7,750,000	7,344,889
Personal property replacement tax	59,000	59,000	77,921
Intergovernmental agreements	155,000	155,000	439,733
Grants - operating, public safety, general	-	-	52,013
Contributions	132,000	132,000	219,431
Total intergovernmental, grants, and contributions	11,771,000	11,771,000	12,470,414
CHARGES FOR SERVICES			
Building and zoning	10,000	10,000	10,758
Park usage fees	8,000	8,000	5,220
Recreation programs	103,000	103,000	68,210
Site development fee	1,200	1,200	2,520
Public art impact fee	2,000	2,000	1,000

(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, 2020

	Original Budget	Final Budget	Actual
CHARGES FOR SERVICES (Continued)			
Platting fees	\$ 2,000	\$ 2,000	\$ 10,600
Rental income	41,000	41,000	80,342
Outsourced service fees	25,000	25,000	19,545
Historical commission	500	500	120
Total charges for services	192,700	192,700	198,315
FINES AND FORFEITS			
County court and drug fines	175,000	175,000	146,037
County prosecution fines	15,000	15,000	3,572
Police fines	8,000	8,000	6,598
Restitution - court cases	15,500	15,500	7,635
Police accident reports	5,000	5,000	5,312
Reports, maps, and ordinance	500	500	456
Building permit fines	20,000	20,000	19,980
Towing and storage	35,000	35,000	40,827
Traffic light enforcement	-	-	8,546
Municipal fines	97,000	97,000	63,807
Maintenance fee	5,000	5,000	2,483
Administrative fees	100	100	-
Total fines and forfeits	376,100	376,100	305,253
INVESTMENT INCOME	227,000	227,000	580,307
MISCELLANEOUS			
Cable TV franchise fees	510,000	510,000	498,795
Other receipts	41,200	41,200	163,573
Total miscellaneous	551,200	551,200	662,368
TOTAL REVENUES	\$ 19,818,000	\$ 19,818,000	\$ 20,949,734

(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, 2020

	Original Budget	Final Budget	Actual
CURRENT			
General government			
Administration			
Personnel	\$ 1,445,000	\$ 1,445,000	\$ 1,423,754
Commodities	276,000	303,250	291,948
Contractual services	1,118,100	1,144,600	1,118,914
Other charges	237,250	188,500	108,913
Total administration	3,076,350	3,081,350	2,943,529
Community development			
Personnel	930,100	930,100	919,020
Commodities	33,500	33,500	27,275
Contractual services	302,400	308,400	298,884
Other charges	39,900	33,900	25,404
Total community development	1,305,900	1,305,900	1,270,583
Total general government	4,382,250	4,387,250	4,214,112
Public safety			
Police department			
Personnel	6,294,000	6,294,000	6,205,462
Commodities	221,400	224,700	183,899
Contractual services	1,201,200	1,197,900	1,094,611
Other charges	2,120,000	2,120,000	2,090,879
Total public safety	9,836,600	9,836,600	9,574,851
Public works			
Public works administration			
Personnel	284,700	284,700	260,078
Commodities	12,100	12,100	12,049
Contractual services	72,700	72,700	51,575
Other charges	9,100	9,100	8,129
Total public works administration	378,600	378,600	331,831

(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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
CURRENT (Continued)			
Public works (Continued)			
Streets department			
Personnel	\$ 2,193,000	\$ 2,083,000	\$ 1,917,177
Commodities	198,900	212,877	181,004
Contractual services	1,837,900	2,033,900	1,579,700
Other charges	41,700	41,836	32,775
	<hr/>	<hr/>	<hr/>
Total streets department	4,271,500	4,371,613	3,710,656
	<hr/>	<hr/>	<hr/>
Total public works	4,650,100	4,750,213	4,042,487
	<hr/>	<hr/>	<hr/>
Debt service			
Principal	53,500	48,500	-
Interest and fiscal charges	1,250	1,250	6,897
	<hr/>	<hr/>	<hr/>
Total debt service	54,750	49,750	6,897
	<hr/>	<hr/>	<hr/>
Capital outlay			
General government	66,500	66,500	-
Public works	41,000	30,000	25,905
Public safety	112,800	112,800	101,912
	<hr/>	<hr/>	<hr/>
Total capital outlay	220,300	209,300	127,817
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	<u>\$ 19,144,000</u>	<u>\$ 19,233,113</u>	<u>\$ 17,966,164</u>

(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, 2020

	Original Budget	Final Budget	Actual
REVENUES			
Charges for services			
Swimming pool fees	\$ 35,000	\$ 35,000	\$ 32,195
Swimming daily fees	28,000	28,000	25,800
Swimming lessons	16,500	16,500	15,181
Concessions	9,500	9,500	9,199
Investment income	100	100	5
Miscellaneous	28,100	28,100	28,419
Total revenues	117,200	117,200	110,799
EXPENDITURES			
General government			
Personnel	95,400	95,400	80,149
Commodities	15,400	15,400	13,272
Contractual services	142,600	197,600	198,567
Other	5,300	5,300	3,407
Total expenditures	258,700	313,700	295,395
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(141,500)	(196,500)	(184,596)
OTHER FINANCING SOURCES (USES)			
Transfers in	141,500	141,500	182,468
Total other financing sources (uses)	141,500	141,500	182,468
NET CHANGE IN FUND BALANCE	\$ -	\$ (55,000)	(2,128)
FUND BALANCE (DEFICIT), MAY 1			(359)
FUND BALANCE (DEFICIT), APRIL 30			\$ (2,487)

(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, 2020

	Original Budget	Final Budget	Actual
CURRENT			
General government			
Personnel			
Salary of pool employees	\$ 88,000	\$ 88,000	\$ 73,921
FICA	6,700	6,700	5,655
SUI	700	700	573
Total personnel	95,400	95,400	80,149
Commodities			
Office supplies	1,300	1,300	752
Bank processing fee	-	-	594
Concessions	7,200	7,200	5,388
Small tools and equipment	6,900	6,900	6,538
Total commodities	15,400	15,400	13,272
Contractual services			
Telephone	2,250	2,250	1,605
Gas - heat	4,800	4,800	4,549
Electricity	6,000	6,000	5,826
Water	5,500	5,500	5,585
Professional services	1,550	1,550	525
Maintenance	66,000	66,000	80,868
Insurance	7,500	7,500	6,681
Maintenance - outsourced building	49,000	49,000	38,753
Infrastructure maintenance	-	55,000	54,175
Total contractual services	142,600	197,600	198,567
Other			
Recreation programs	1,400	1,400	504
Travel, training, dues	2,100	2,100	1,710
Uniforms and safety items	1,800	1,800	1,193
Total other	5,300	5,300	3,407
TOTAL EXPENDITURES	\$ 258,700	\$ 313,700	\$ 295,395

(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, 2020

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Hotel	\$ 46,000	\$ 46,000	\$ 44,820
Fines and forfeits	-	-	6,000
Investment income	12,000	12,000	11,630
Total revenues	58,000	58,000	62,450
EXPENDITURES			
General government			
Regional marketing	13,000	13,000	11,770
Public works			
Contractual services - snow removal	60,000	130,000	81,216
Total expenditures	73,000	143,000	92,986
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(15,000)	(85,000)	(30,536)
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(35,000)	(35,000)	(35,000)
Total other financing sources (uses)	(35,000)	(35,000)	(35,000)
NET CHANGE IN FUND BALANCE	\$ (50,000)	\$ (120,000)	(65,536)
FUND BALANCE, MAY 1			808,791
FUND BALANCE, APRIL 30			\$ 743,255

(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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES			
Taxes			
Home rule sales tax	\$ 4,240,000	\$ 4,240,000	\$ 3,833,333
Utility taxes	925,000	925,000	898,906
Telecommunication taxes	265,000	265,000	228,373
Intergovernmental	-	-	230,149
Investment income	145,000	145,000	78,192
	<u>5,575,000</u>	<u>5,575,000</u>	<u>5,268,953</u>
EXPENDITURES			
Public works			
Contractual services			
Legal services	10,000	10,000	14,621
Engineering services	2,095,000	2,224,000	876,079
Infrastructure maintenance	1,040,000	990,000	549,322
Capital outlay	12,110,000	12,031,000	4,355,379
	<u>15,255,000</u>	<u>15,255,000</u>	<u>5,795,401</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(9,680,000)	(9,680,000)	(526,448)
OTHER FINANCING SOURCES (USES)			
Transfers in	3,600,000	3,600,000	3,470,000
	<u>3,600,000</u>	<u>3,600,000</u>	<u>3,470,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ (6,080,000)</u>	<u>\$ (6,080,000)</u>	2,943,552
FUND BALANCE, MAY 1			<u>17,558,180</u>
FUND BALANCE, APRIL 30			<u><u>\$ 20,501,732</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.

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, 2020

	Special Revenue	Debt Service	Capital Projects	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS				
Cash and cash equivalents	\$ 3,658,442	\$ -	\$ 83,371	\$ 3,741,813
Investments	115,062	-	11,033	126,095
Receivables				
Other taxes	49,801	-	-	49,801
Intergovernmental, grants, and contributions	470,211	-	-	470,211
Prepaid items	182	-	-	182
 Total assets	 4,293,698	 -	 94,404	 4,388,102
DEFERRED OUTFLOWS OF RESOURCES				
None	-	-	-	-
 TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	 \$ 4,293,698	 \$ -	 \$ 94,404	 \$ 4,388,102
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 246,199	\$ -	\$ 41,800	\$ 287,999
 Total liabilities	 246,199	 -	 41,800	 287,999
DEFERRED INFLOWS OF RESOURCES				
None	-	-	-	-
 Total liabilities and deferred inflows of resources	 246,199	 -	 41,800	 287,999
FUND BALANCES				
Nonspendable				
Prepays	182	-	-	182
Restricted				
Street maintenance	2,385,376	-	-	2,385,376
Capital projects	109,247	-	-	109,247
Cemetery	350,787	-	-	350,787
Assigned				
Capital projects	1,201,907	-	52,604	1,254,511
Debt service	-	-	-	-
 Total fund balances	 4,047,499	 -	 52,604	 4,100,103
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	 \$ 4,293,698	 \$ -	 \$ 94,404	 \$ 4,388,102

(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, 2020

	Special Revenue	Debt Service	Capital Projects	Total
REVENUES				
Taxes	\$ 307,635	\$ -	\$ -	\$ 307,635
Intergovernmental, grants, and contributions	1,707,205	-	400	1,707,605
Charges for services	17,300	-	-	17,300
Investment income	56,685	10,706	453	67,844
Miscellaneous	24,071	-	-	24,071
Total revenues	2,112,896	10,706	853	2,124,455
EXPENDITURES				
Current				
General government	31,847	-	-	31,847
Public works	1,653,964	-	-	1,653,964
Capital outlay	744,368	-	103,980	848,348
Debt service				
Principal	-	615,000	-	615,000
Interest and fiscal charges	-	15,910	-	15,910
Total expenditures	2,430,179	630,910	103,980	3,165,069
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(317,283)	(620,204)	(103,127)	(1,040,614)
OTHER FINANCING SOURCES (USES)				
Transfers in	142,500	-	-	142,500
Transfers (out)	-	(41,563)	-	(41,563)
Total other financing sources (uses)	142,500	(41,563)	-	100,937
NET CHANGE IN FUND BALANCES	(174,783)	(661,767)	(103,127)	(939,677)
FUND BALANCES, MAY 1	4,222,282	661,767	155,731	5,039,780
FUND BALANCES, APRIL 30	\$ 4,047,499	\$ -	\$ 52,604	\$ 4,100,103

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

April 30, 2020

	<u>Special Revenue</u>			
	<u>Motor Fuel Tax</u>	<u>Parks</u>	<u>Cemetery</u>	<u>Total</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS				
Cash and cash equivalents	\$ 1,986,716	\$ 1,436,001	\$ 235,725	\$ 3,658,442
Investments	-	-	115,062	115,062
Receivables				
Other taxes	-	49,801	-	49,801
Intergovernmental, grants, and contributions	442,041	28,170	-	470,211
Prepaid items	-	-	182	182
	<hr/>			
Total assets	2,428,757	1,513,972	350,969	4,293,698
DEFERRED OUTFLOWS OF RESOURCES				
None	-	-	-	-
	<hr/>			
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 2,428,757</u>	<u>\$ 1,513,972</u>	<u>\$ 350,969</u>	<u>\$ 4,293,698</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 43,381	\$ 202,818	\$ -	\$ 246,199
	<hr/>			
Total liabilities	43,381	202,818	-	246,199
DEFERRED INFLOWS OF RESOURCES				
None	-	-	-	-
	<hr/>			
Total liabilities and deferred inflows of resources	43,381	202,818	-	246,199
FUND BALANCES				
Nonspendable				
Prepays	-	-	182	182
Restricted				
Street maintenance	2,385,376	-	-	2,385,376
Capital projects	-	109,247	-	109,247
Cemetery	-	-	350,787	350,787
Assigned				
Capital projects	-	1,201,907	-	1,201,907
	<hr/>			
Total fund balances	2,385,376	1,311,154	350,969	4,047,499
	<hr/>			
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 2,428,757</u>	<u>\$ 1,513,972</u>	<u>\$ 350,969</u>	<u>\$ 4,293,698</u>

(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, 2020

	<u>Special Revenue</u>			
	<u>Motor Fuel</u>	<u>Parks</u>	<u>Cemetery</u>	<u>Total</u>
	<u>Tax</u>			
REVENUES				
Taxes	\$ -	\$ 307,635	\$ -	\$ 307,635
Intergovernmental, grants, and contributions	1,470,837	236,368	-	1,707,205
Charges for services	-	-	17,300	17,300
Investment income	38,478	13,518	4,689	56,685
Miscellaneous	-	-	24,071	24,071
Total revenues	1,509,315	557,521	46,060	2,112,896
EXPENDITURES				
Current				
General government	-	-	31,847	31,847
Public works	1,393,854	260,110	-	1,653,964
Capital outlay	-	744,368	-	744,368
Total expenditures	1,393,854	1,004,478	31,847	2,430,179
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	115,461	(446,957)	14,213	(317,283)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	142,500	-	142,500
Total other financing sources (uses)	-	142,500	-	142,500
NET CHANGE IN FUND BALANCES	115,461	(304,457)	14,213	(174,783)
FUND BALANCES, MAY 1	2,269,915	1,615,611	336,756	4,222,282
FUND BALANCES, APRIL 30	\$ 2,385,376	\$ 1,311,154	\$ 350,969	\$ 4,047,499

(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, 2020

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental, grants, and contributions			
Motor fuel tax allotments	\$ 794,000	\$ 794,000	\$ 1,470,837
Investment income	51,000	51,000	38,478
	<hr/>		
Total revenues	845,000	845,000	1,509,315
	<hr/>		
EXPENDITURES			
Public works			
Materials	450,000	353,400	330,552
Maintenance	765,000	1,087,300	1,063,302
Capital outlay	70,000	44,300	-
	<hr/>		
Total expenditures	1,285,000	1,485,000	1,393,854
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ (440,000)</u>	<u>\$ (640,000)</u>	115,461
FUND BALANCE, MAY 1			<u>2,269,915</u>
FUND BALANCE, APRIL 30			<u><u>\$ 2,385,376</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, 2020

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Video gaming	\$ 105,000	\$ 105,000	\$ 114,787
Telecommunications tax	220,000	220,000	192,848
Intergovernmental	20,000	20,000	236,368
Investment income	15,000	15,000	13,518
Total revenues	360,000	360,000	557,521
EXPENDITURES			
Public works			
Wetland mitigation	15,000	15,000	4,303
Infrastructure maintenance	105,000	145,000	97,500
Ecosystem maintenance	85,000	85,000	45,069
Engineering services	280,000	205,000	113,238
Capital outlay	810,000	975,000	744,368
Total expenditures	1,295,000	1,425,000	1,004,478
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(935,000)	(1,065,000)	(446,957)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	142,500	142,500
Total other financing sources (uses)	-	142,500	142,500
NET CHANGE IN FUND BALANCE	\$ (935,000)	\$ (922,500)	(304,457)
FUND BALANCE, MAY 1			1,615,611
FUND BALANCE, APRIL 30			\$ 1,311,154

(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, 2020

	Original Budget	Final Budget	Actual
REVENUES			
Charges for services			
Opening graves and closing crypts	\$ 12,000	\$ 12,000	\$ 10,400
Perpetual care	1,500	1,500	1,500
Sale of lots	5,000	5,000	5,400
Investment income	4,500	4,500	4,689
Miscellaneous	24,000	24,000	24,071
Total revenues	47,000	47,000	46,060
EXPENDITURES			
General government			
Professional services	31,000	31,000	21,204
Grave openings	10,000	10,000	9,250
Insurance	1,100	1,100	1,281
Building supplies	500	500	-
Bank processing fees	-	-	112
Total expenditures	42,600	42,600	31,847
NET CHANGE IN FUND BALANCE	\$ 4,400	\$ 4,400	14,213
FUND BALANCE, MAY 1			336,756
FUND BALANCE, APRIL 30			\$ 350,969

(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, 2020

	Original Budget	Final Budget	Actual
REVENUES			
Investment income	\$ 10,000	\$ 10,000	\$ 10,706
Total revenues	10,000	10,000	10,706
EXPENDITURES			
Current			
Debt service			
Principal	615,000	615,000	615,000
Interest and fiscal charges	17,400	17,400	15,910
Total expenditures	632,400	632,400	630,910
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(622,400)	(622,400)	(620,204)
OTHER FINANCING SOURCES (USES)			
Transfers (out)	-	-	(41,563)
NET CHANGE IN FUND BALANCE	\$ (622,400)	\$ (622,400)	(661,767)
FUND BALANCE, MAY 1			661,767
FUND BALANCE, APRIL 30			\$ -

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

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

For the Year Ended April 30, 2020

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental, grants, and contributions	\$ 6,400	\$ 6,400	\$ 400
Investment income	400	400	453
Total revenues	<u>6,800</u>	<u>6,800</u>	<u>853</u>
EXPENDITURES			
Capital outlay	<u>162,000</u>	<u>162,000</u>	<u>103,980</u>
Total expenditures	<u>162,000</u>	<u>162,000</u>	<u>103,980</u>
NET CHANGE IN FUND BALANCE	<u>\$ (155,200)</u>	<u>\$ (155,200)</u>	(103,127)
FUND BALANCE, MAY 1			<u>155,731</u>
FUND BALANCE, APRIL 30			<u>\$ 52,604</u>

(See independent auditor's report.)

MAJOR ENTERPRISE FUND

VILLAGE OF ALGONQUIN, ILLINOIS

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

April 30, 2020

	Operations and Maintenance	Improvements and Extension	Total
CURRENT ASSETS			
Cash and cash equivalents	\$ 3,236,579	\$ 4,425,729	\$ 7,662,308
Investments	980,635	13,270	993,905
Receivables			
Grants	-	1,118,149	1,118,149
Accounts	1,467,366	5,819	1,473,185
Prepaid expenses	24,641	-	24,641
Restricted assets - investments	833,625	-	833,625
	<hr/>		
Total current assets	6,542,846	5,562,967	12,105,813
NONCURRENT ASSETS			
Advances to other funds	-	5,123,443	5,123,443
	<hr/>		
Capital assets			
Nondepreciable	9,073,515	-	9,073,515
Depreciable, net of accumulated depreciation	47,433,151	-	47,433,151
	<hr/>		
Net capital assets	56,506,666	-	56,506,666
	<hr/>		
Total noncurrent assets	56,506,666	5,123,443	61,630,109
	<hr/>		
Total assets	63,049,512	10,686,410	73,735,922
DEFERRED OUTFLOWS OF RESOURCES			
Pension items - IMRF	441,463	-	441,463
OPEB items	169,828	-	169,828
Asset retirement obligation	261,591	-	261,591
Deferred loss on refunding	88,502	-	88,502
	<hr/>		
Total deferred outflows of resources	961,384	-	961,384
	<hr/>		
Total assets and deferred outflows of resources	64,010,896	10,686,410	74,697,306
	<hr/>		

(This statement is continued on the following page.)

VILLAGE OF ALGONQUIN, ILLINOIS

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

April 30, 2020

	Operations and Maintenance	Improvements and Extension	Total
CURRENT LIABILITIES			
Accounts payable	\$ 329,773	\$ 2,771,067	\$ 3,100,840
Accrued interest	9,886	-	9,886
Compensated absences payable - current	157,158	-	157,158
Total OPEB liability	23,743	-	23,743
Bonds payable - current	715,000	-	715,000
Total current liabilities	1,235,560	2,771,067	4,006,627
LONG-TERM LIABILITIES			
Compensated absences payable - long-term	119,385	-	119,385
IMRF net pension liability	1,027,053	-	1,027,053
Total OPEB liability	487,915	-	487,915
IEPA loan payable	-	3,686,408	3,686,408
Asset retirement obligation	270,000	-	270,000
Bonds payable - long-term	3,318,350	-	3,318,350
Total long-term liabilities	5,222,703	3,686,408	8,909,111
DEFERRED INFLOWS OF RESOURCES			
Pension items - IMRF	602,984	-	602,984
OPEB items	34,411	-	34,411
Total deferred inflows of resources	637,395	-	637,395
Total liabilities and deferred inflows of resources	7,095,658	6,457,475	13,553,133
NET POSITION			
Net investment in capital assets	52,561,818	(3,686,408)	48,875,410
Restricted for debt service	833,625	-	833,625
Unrestricted	3,519,795	7,915,343	11,435,138
TOTAL NET POSITION	\$ 56,915,238	\$ 4,228,935	\$ 61,144,173

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

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

For the Year Ended April 30, 2020

	Operations and Maintenance	Improvements and Extension	Total
OPERATING REVENUES			
Charges for services			
Water and sewer revenue	\$ 8,680,944	\$ -	\$ 8,680,944
Meter sales	39,256	-	39,256
Connection fees	-	570,707	570,707
Infrastructure fees	1,332,776	-	1,332,776
Administration fee	98,962	-	98,962
Miscellaneous	114,484	-	114,484
	<hr/>		
Total operating revenues	10,266,422	570,707	10,837,129
OPERATING EXPENSES			
Water operations	2,992,312	-	2,992,312
Sewer operations	2,768,859	-	2,768,859
Non departmental	-	2,787,728	2,787,728
Depreciation	3,474,204	-	3,474,204
	<hr/>		
Total operating expenses	9,235,375	2,787,728	12,023,103
OPERATING INCOME (LOSS)	<hr/>		
	1,031,047	(2,217,021)	(1,185,974)
NON-OPERATING REVENUES (EXPENSES)			
Investment income	240,343	24,813	265,156
Interest expense and fiscal agent fees	(130,228)	-	(130,228)
	<hr/>		
Total non-operating revenues (expenses)	110,115	24,813	134,928
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	<hr/>		
	1,141,162	(2,192,208)	(1,051,046)
TRANSFERS			
Transfers in	6,941,834	6,012,776	12,954,610
Transfers (out)	(6,012,776)	(6,941,834)	(12,954,610)
	<hr/>		
Total transfers	929,058	(929,058)	-
CAPITAL CONTRIBUTIONS	<hr/>		
	4,684,636	-	4,684,636
CHANGE IN NET POSITION	<hr/>		
	6,754,856	(3,121,266)	3,633,590
NET POSITION, MAY 1	<hr/>		
	50,160,382	7,350,201	57,510,583
NET POSITION, APRIL 30	<hr/>		
	\$ 56,915,238	\$ 4,228,935	\$ 61,144,173

(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, 2020

	Original Budget	Final Budget	Actual
WATER DEPARTMENT			
Personnel			
IMRF	\$ 110,000	\$ 110,000	\$ 111,098
FICA	85,000	85,000	82,424
Unemployment tax	2,000	2,000	1,363
Health insurance	186,000	186,000	171,489
Salaries	1,070,000	1,070,000	1,097,162
Overtime	30,000	30,000	46,966
Commodities			
Meters	15,150	15,150	13,602
Office supplies	500	500	320
Materials	18,050	18,050	16,881
Chemicals	187,000	178,952	151,515
Postage	26,000	26,000	25,870
Small tools and equipment	9,000	19,000	17,211
Fuel	17,000	17,000	17,744
Lab supplies	10,400	10,400	9,957
Vehicles and equipment	15,000	15,000	6,025
Office furniture and equipment	1,500	1,500	760
IT equipment and supplies	56,000	61,000	54,546
Contractual services			
Utilities	293,050	304,650	276,086
Legal services	4,000	4,000	1,110
Audit services	5,100	5,100	5,166
Engineering/design services	30,000	32,968	33,093
Professional services	217,475	250,243	251,364
Insurance	86,000	86,000	74,304
Publications	1,125	1,125	543
Printing	3,650	3,650	897
Physical exams	1,600	1,600	452
Travel, training, dues	11,500	11,500	9,607
Bank processing fees	27,000	27,000	25,386
Equipment rental	1,000	1,000	6,309
ACH rebates	23,000	23,000	24,413
Uniforms	10,200	10,200	8,771
Maintenance			
Wells	168,600	100,937	96,636
Booster station	17,200	17,200	9,323
Maintenance storage facility	8,500	532	-
Treatment facility	34,400	34,400	22,582
Distribution system	55,500	76,754	65,478
Vehicle maintenance	20,000	20,000	29,401
Building maintenance	104,000	104,000	81,632
Maintenance - other	800	800	485
Equipment maintenance	20,000	20,000	45,395
 Total water department	 2,982,300	 2,982,211	 2,893,366

(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, 2020

	Original Budget	Final Budget	Actual
SEWER DEPARTMENT			
Personnel			
IMRF	\$ 100,000	\$ 100,000	\$ 100,760
FICA	78,000	78,000	75,112
Unemployment tax	2,000	2,000	1,290
Health insurance	142,000	142,000	131,409
Salaries	966,000	966,000	991,401
Overtime	30,000	30,000	36,498
Commodities			
Meters	15,200	6,377	9,222
Office supplies	500	500	97
Materials	18,800	13,300	4,271
Chemicals	114,500	84,500	61,063
Postage	26,000	26,000	25,870
Vehicles and equipment	15,000	15,000	6,025
Small tools and equipment	19,500	29,500	27,606
Fuel	14,500	14,500	18,743
Lab supplies	7,500	7,500	6,820
Office furniture and equipment	3,000	3,000	2,500
IT equipment and supplies	55,000	60,000	53,481
Contractual services			
Utilities	353,075	353,075	318,345
Legal services	4,000	4,000	592
Audit services	5,100	5,100	5,166
Engineering services	4,000	66,000	57,316
Professional services	166,700	166,700	157,808
Insurance	78,000	78,000	69,025
Publications	1,125	1,125	543
Printing	1,000	1,000	897
Physical exams	1,600	1,600	430
Sludge removal	123,500	103,500	90,056
Travel, training, dues	7,700	2,700	2,560
Bank processing fees	27,000	27,000	25,386
ACH rebates	23,000	23,000	24,516
Equipment rental	-	-	5,689
Uniforms	12,700	13,212	11,719
Maintenance			
Treatment facility	84,100	84,100	70,689
Lift station	58,950	58,950	43,181
Collection station	77,350	91,250	93,214
Vehicle maintenance	30,000	30,000	37,616
Building maintenance	102,000	102,000	81,820
Equipment maintenance	28,000	28,000	41,735
Other	1,100	1,100	549
Total sewer department	<u>2,797,500</u>	<u>2,819,589</u>	<u>2,691,020</u>

(This schedule is continued on the following page.)

VILLAGE OF ALGONQUIN, ILLINOIS

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

For the Year Ended April 30, 2020

	Original Budget	Final Budget	Actual
NONDEPARTMENTAL			
Contractual services			
Legal services	\$ 10,000	\$ 10,000	\$ 1,706
Engineering services	1,410,000	374,400	235,333
Infrastructure maintenance	2,920,000	2,626,600	2,550,689
Capital outlay	5,470,000	5,064,200	6,941,835
Total nondepartmental	9,810,000	8,075,200	9,729,563
TOTAL WATER AND SEWER OPERATIONS	\$ 15,589,800	\$ 13,877,000	15,313,949
ADJUSTMENTS TO GAAP BASIS			
Water Department			
Asset retirement obligation amortization			8,409
Pension and OPEB expense			90,537
Total water department			98,946
Sewer Department			
Pension and OPEB expense			77,839
Total sewer department			77,839
Capitalized assets			(6,941,835)
Depreciation			3,474,204
TOTAL WATER AND SEWER OPERATIONS - GAAP BASIS			\$ 12,023,103

(See independent auditor's report.)

INTERNAL SERVICE FUNDS

VILLAGE OF ALGONQUIN, ILLINOIS

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

April 30, 2020

	Building Service Fund	Vehicle Maintenance Fund	Total
CURRENT ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ -
Receivables			
Accounts	1,669	9,304	10,973
Inventory	37,808	86,218	124,026
Total current assets	39,477	95,522	134,999
CAPITAL ASSETS			
Depreciable, net of accumulated depreciation	-	60,883	60,883
Net capital assets	-	60,883	60,883
Total assets	39,477	156,405	195,882
CURRENT LIABILITIES			
Accounts payable	13,961	17,429	31,390
Due to other funds	13,172	62,046	75,218
Total current liabilities	27,133	79,475	106,608
NET POSITION			
Net investment in capital assets	-	60,883	60,883
Unrestricted	12,344	16,047	28,391
TOTAL NET POSITION	\$ 12,344	\$ 76,930	\$ 89,274

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

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

For the Year Ended April 30, 2020

	Building Service Fund	Vehicle Maintenance Fund	Total
OPERATING REVENUES			
Charges for services			
Maintenance billings	\$ 722,944	\$ 644,135	\$ 1,367,079
Fire district fuel	-	45,773	45,773
Fuel billings	-	168,611	168,611
Fleet maintenance	-	90,278	90,278
Miscellaneous	121	1,612	1,733
Total operating revenues	723,065	950,409	1,673,474
OPERATING EXPENSES			
Personnel	377,773	374,773	752,546
Contractual services	8,935	16,253	25,188
Supplies and materials	113,540	456,369	569,909
Maintenance	229,494	90,783	320,277
Other charges	11,701	12,230	23,931
Depreciation	-	16,047	16,047
Total operating expenses	741,443	966,455	1,707,898
OPERATING INCOME (LOSS)	(18,378)	(16,046)	(34,424)
NON-OPERATING REVENUES (EXPENSES)			
Gain on sale of capital assets	12,205	-	12,205
Total non-operating revenues (expenses)	12,205	-	12,205
CHANGE IN NET POSITION	(6,173)	(16,046)	(22,219)
NET POSITION, MAY 1	18,517	92,976	111,493
NET POSITION, APRIL 30	\$ 12,344	\$ 76,930	\$ 89,274

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

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

For the Year Ended April 30, 2020

	Building Service Fund	Vehicle Maintenance Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ -	\$ 304,662	\$ 304,662
Cash received for interfund services provided	722,944	652,745	1,375,689
Payments to suppliers	(383,931)	(602,686)	(986,617)
Payments to employees	(377,773)	(374,773)	(752,546)
Other receipts (payments)	121	1,612	1,733
Net cash from operating activities	(38,639)	(18,440)	(57,079)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Interfund transactions	13,172	18,440	31,612
Net cash from noncapital financing activities	13,172	18,440	31,612
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from sale of capital assets	24,549	-	24,549
Net cash from capital and related financing activities	24,549	-	24,549
CASH FLOWS FROM INVESTING ACTIVITIES			
None	-	-	-
Net cash from investing activities	-	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
	(918)	-	(918)
CASH AND CASH EQUIVALENTS, MAY 1			
	918	-	918
CASH AND CASH EQUIVALENTS, APRIL 30			
	\$ -	\$ -	\$ -

(This statement is continued on the following page.)

VILLAGE OF ALGONQUIN, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS (Continued)
INTERNAL SERVICE FUNDS

For the Year Ended April 30, 2020

	Building Service Fund	Vehicle Maintenance Fund	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ (18,378)	\$ (16,046)	\$ (34,424)
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation	-	16,047	16,047
Increase (decrease) in			
Accounts receivable	(1,669)	8,609	6,940
Inventory	1,917	(2,071)	(154)
Accounts payable	(20,509)	(24,979)	(45,488)
	<u>(20,261)</u>	<u>(2,394)</u>	<u>(22,655)</u>
Total adjustments			
	<u>(20,261)</u>	<u>(2,394)</u>	<u>(22,655)</u>
NET CASH FROM OPERATING ACTIVITIES	<u>\$ (38,639)</u>	<u>\$ (18,440)</u>	<u>\$ (57,079)</u>

(See independent auditor's report.)

VILLAGE OF ALGONQUIN, ILLINOIS

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

For the Year Ended April 30, 2020

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Maintenance billings	\$ 862,000	\$ 862,000	\$ 722,944
Miscellaneous	-	-	121
Total operating revenues	862,000	862,000	723,065
OPERATING EXPENSES			
Personnel	417,700	417,700	377,773
Contractual services	9,700	9,406	8,935
Supplies and materials	151,300	151,300	113,540
Maintenance	268,000	268,000	229,494
Other charges	15,300	15,594	11,701
Total operating expenses	862,000	862,000	741,443
NON-OPERATING REVENUES (EXPENSES)			
Gain on sale of capital assets	-	-	12,205
Total non-operating revenues (expenses)	-	-	12,205
CHANGE IN NET POSITION (BUDGETARY BASIS)			
	\$ -	\$ -	(6,173)
ADJUSTMENTS TO GAAP BASIS			
None			-
Total adjustments to GAAP basis			-
CHANGE IN NET POSITION (GAAP BASIS)			
			(6,173)
NET POSITION, MAY 1			
			18,517
NET POSITION, APRIL 30			
			\$ 12,344

(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, 2020

	Original Budget	Final Budget	Actual
OPERATING EXPENSES			
Personnel			
IMRF	\$ 30,000	\$ 30,000	\$ 26,756
FICA	25,000	25,000	20,857
SUI	700	700	459
Health insurance	52,000	52,000	46,934
Salaries	298,000	298,000	275,638
Overtime	12,000	12,000	7,129
	<hr/>		
Total personnel	417,700	417,700	377,773
<hr/>			
Contractual services			
Telephone	5,500	5,500	4,597
Professional services	2,750	2,728	126
Publications	250	250	-
Printing and advertising	550	550	-
Physical exams	150	150	35
Equipment rental	500	228	4,177
	<hr/>		
Total contractual services	9,700	9,406	8,935
<hr/>			
Supplies and materials			
Office supplies	225	225	-
Postage	500	500	158
Building supplies	142,525	142,525	101,142
Tools, equipment, and supplies	5,050	5,050	10,872
Fuel	3,000	3,000	1,368
	<hr/>		
Total supplies and materials	151,300	151,300	113,540
<hr/>			
Maintenance			
Vehicle maintenance	6,000	6,000	2,846
Equipment maintenance	5,000	5,000	4,253
Outsourced building maintenance	255,250	255,250	221,737
Office equipment maintenance	1,750	1,750	658
	<hr/>		
Total maintenance	268,000	268,000	229,494
<hr/>			
Other charges			
Travel, training, and dues	10,850	10,585	5,955
Uniforms and safety items	4,450	5,009	4,964
Interest	-	-	782
	<hr/>		
Total other charges	15,300	15,594	11,701
<hr/>			
TOTAL OPERATING EXPENSES	\$ 862,000	\$ 862,000	\$ 741,443

(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, 2020

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Maintenance billings	\$ 822,000	\$ 822,000	\$ 644,135
Fire district fuel	43,500	43,500	45,773
Fuel billings	194,500	194,500	168,611
Fleet maintenance	100,000	100,000	90,278
Miscellaneous	-	-	1,612
	<hr/>	<hr/>	<hr/>
Total operating revenues	1,160,000	1,160,000	950,409
	<hr/>	<hr/>	<hr/>
OPERATING EXPENSES			
Personnel	406,000	406,000	374,773
Contractual services	22,750	22,247	16,253
Supplies and materials	577,700	577,700	456,369
Maintenance	138,250	138,250	90,783
Other charges	15,300	15,803	12,230
	<hr/>	<hr/>	<hr/>
Total operating expenses	1,160,000	1,160,000	950,408
	<hr/>	<hr/>	<hr/>
CHANGE IN NET POSITION (BUDGETARY BASIS)	\$ -	\$ -	1
	<hr/>	<hr/>	<hr/>
ADJUSTMENTS TO GAAP BASIS			
Depreciation			<hr/> 16,047
Total adjustments to GAAP basis			<hr/> 16,047
			<hr/>
CHANGE IN NET POSITION (GAAP BASIS)			(16,046)
			<hr/>
NET POSITION, MAY 1			92,976
			<hr/>
NET POSITION, APRIL 30			<u><u>\$ 76,930</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, 2020

	Original Budget	Final Budget	Actual
OPERATING EXPENSES			
Personnel			
IMRF	\$ 30,000	\$ 30,000	\$ 27,037
FICA	24,500	24,500	20,664
SUI	600	600	419
Health insurance	51,000	51,000	46,844
Salaries	292,000	292,000	277,740
Overtime	7,900	7,900	2,069
Total personnel	406,000	406,000	374,773
Contractual services			
Telephone	4,600	4,600	4,834
Natural gas	-	-	260
Professional services	10,150	10,150	7,227
Publications	4,300	4,300	2,349
Printing and advertising	550	428	26
Physical exams	150	150	-
Equipment rental	3,000	2,619	1,557
Total contractual services	22,750	22,247	16,253
Supplies and materials			
Office supplies	475	475	245
Postage	425	425	65
Tools, equipment, and supplies	6,300	6,300	367
Fuel	240,500	240,500	216,991
Oil, lubricants, and fluids	330,000	330,000	238,701
Total supplies and materials	577,700	577,700	456,369
Maintenance			
Vehicle maintenance	4,000	4,000	3,772
Equipment maintenance	2,500	2,500	395
Building maintenance	60,000	60,000	46,801
Outsourced vehicle and equipment maintenance	1,750	1,750	658
Office equipment maintenance	70,000	70,000	39,157
Total maintenance	138,250	138,250	90,783
Other charges			
Travel, training, and dues	6,200	5,603	3,348
Uniforms and safety items	9,100	10,200	8,602
Interest	-	-	280
Total other charges	15,300	15,803	12,230
TOTAL OPERATING EXPENSES	\$ 1,160,000	\$ 1,160,000	\$ 950,408

(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, 2020

	Original Budget	Final Budget	Actual
ADDITIONS			
Contributions			
Employer	\$ 1,985,000	\$ 1,985,000	\$ 1,985,000
Employee	445,500	445,500	468,893
Total contributions	2,430,500	2,430,500	2,453,893
Investment income			
Net appreciation (depreciation) in fair value of investments	-	-	(145,722)
Interest	1,940,000	1,940,000	808,232
Total investment income	1,940,000	1,940,000	662,510
Less investment expense	(90,000)	(90,000)	(90,347)
Net investment income	1,850,000	1,850,000	572,163
Total additions	4,280,500	4,280,500	3,026,056
DEDUCTIONS			
Pension benefits	1,424,000	1,424,000	1,378,453
Administrative expenses	54,400	54,400	32,941
Total deductions	1,478,400	1,478,400	1,411,394
CHANGE IN NET POSITION	\$ 2,802,100	\$ 2,802,100	1,614,662
NET POSITION RESTRICTED FOR PENSIONS			
May 1			31,767,439
April 30			\$ 33,382,101

(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, 2020

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		
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>\$ 184,365</u>	<u>\$ 3,885,000</u>	<u>\$ 184,365</u>	<u>\$ 4,253,730</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.	104-113
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	114-119
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.	120-123
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	124-125
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.	126-128

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

VILLAGE OF ALGONQUIN, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	2011	2012	2013	2014
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 175,520,012	\$ 177,068,931	\$ 181,677,850	\$ 179,276,332
Restricted	7,503,441	2,266,916	1,860,785	2,309,292
Unrestricted	8,606,808	15,271,626	17,932,292	21,967,034
TOTAL GOVERNMENTAL ACTIVITIES	\$ 191,630,261	\$ 194,607,473	\$ 201,470,927	\$ 203,552,658
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	\$ 60,837,070	\$ 57,848,186	\$ 55,074,145	\$ 54,136,285
Restricted	817,000	1,523,000	872,688	866,338
Unrestricted	7,274,331	8,938,628	13,150,719	13,024,609
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 68,928,401	\$ 68,309,814	\$ 69,097,552	\$ 68,027,232
PRIMARY GOVERNMENT				
Net investment in capital assets	\$ 236,357,082	\$ 234,917,117	\$ 236,751,995	\$ 233,412,617
Restricted	8,320,441	3,789,916	2,733,473	3,175,630
Unrestricted	15,881,139	24,210,254	31,083,011	34,991,643
TOTAL PRIMARY GOVERNMENT	\$ 260,558,662	\$ 262,917,287	\$ 270,568,479	\$ 271,579,890

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

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

Data Source

Audited Financial Statements

2015	2016*	2017	2018	2019**	2020
\$ 181,340,289	\$ 179,194,896	\$ 181,389,998	\$ 183,768,380	\$ 190,831,120	\$ 194,650,906
3,055,239	3,114,451	6,534,289	4,548,278	3,955,860	3,999,847
24,222,228	8,095,190	2,549,697	7,516,172	2,899,101	(1,963,289)
\$ 208,617,756	\$ 190,404,537	\$ 190,473,984	\$ 195,832,830	\$ 197,686,081	\$ 196,687,464
\$ 52,805,499	\$ 49,930,507	\$ 47,453,693	\$ 45,841,568	\$ 43,721,778	\$ 48,875,410
830,426	806,625	808,325	824,426	834,476	833,625
11,375,018	10,973,454	11,540,473	12,119,933	12,954,329	11,435,138
\$ 65,010,943	\$ 61,710,586	\$ 59,802,491	\$ 58,785,927	\$ 57,510,583	\$ 61,144,173
\$ 234,145,788	\$ 229,125,403	\$ 228,843,691	\$ 229,609,948	\$ 234,552,898	\$ 243,526,316
3,885,665	3,921,076	7,342,614	5,372,704	4,790,336	4,833,472
35,597,246	19,068,644	14,090,170	19,636,105	15,853,430	9,471,849
\$ 273,628,699	\$ 252,115,123	\$ 250,276,475	\$ 254,618,757	\$ 255,196,664	\$ 257,831,637

VILLAGE OF ALGONQUIN, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2011	2012	2013	2014
EXPENSES				
Governmental activities				
General government	\$ 4,538,951	\$ 4,742,261	\$ 4,682,238	\$ 4,538,905
Public safety	8,086,707	8,267,862	8,668,334	8,842,616
Public works	8,930,380	8,872,523	8,059,774	10,521,914
Interest	344,884	345,353	190,092	160,780
Total governmental activities expenses	21,900,922	22,227,999	21,600,438	24,064,215
BUSINESS-TYPE ACTIVITIES				
Water and sewer	8,578,470	8,551,752	8,738,058	8,487,380
Total business-type activities expenses	8,578,470	8,551,752	8,738,058	8,487,380
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 30,479,392	\$ 30,779,751	\$ 30,338,496	\$ 32,551,595
PROGRAM REVENUES				
Governmental activities				
Charges for services				
General government	\$ 718,779	\$ 883,440	\$ 1,470,286	\$ 886,332
Public safety	977,767	1,003,544	1,022,031	1,062,432
Public works	14,989	26,448	52,023	27,637
Operating grants and contributions	1,191,828	1,278,892	1,288,203	1,218,237
Capital grants and contributions	368,995	1,783,794	4,130,903	1,616,727
Total governmental activities program revenues	3,272,358	4,976,118	7,963,446	4,811,365
Business-type activities				
Charges for services				
Water/sewer	5,450,665	5,596,381	7,858,350	6,073,440
Operating grants and contributions	54,112	112,067	-	687,145
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	5,504,777	5,708,448	7,858,350	6,760,585
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 8,777,135	\$ 10,684,566	\$ 15,821,796	\$ 11,571,950
NET (EXPENSE) REVENUE				
Governmental activities	\$ (18,628,564)	\$ (17,251,881)	\$ (13,636,992)	\$ (19,252,850)
Business-type activities	(3,073,693)	(2,843,304)	(879,708)	(1,726,795)
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	\$ (21,702,257)	\$ (20,095,185)	\$ (14,516,700)	\$ (20,979,645)

	2015	2016*	2017	2018	2019	2020
\$	5,218,534	\$ 5,526,982	\$ 4,950,693	\$ 4,117,420	\$ 5,000,206	\$ 5,647,200
	9,089,370	9,516,306	9,649,552	9,111,816	9,439,213	9,897,004
	11,339,697	10,339,204	12,779,514	10,361,180	11,110,272	9,834,769
	93,117	58,580	46,848	34,363	21,478	13,687
	25,740,718	25,441,072	27,426,607	23,624,779	25,571,169	25,392,660
	9,580,289	9,514,803	9,066,657	9,731,632	11,112,382	12,153,331
	9,580,289	9,514,803	9,066,657	9,731,632	11,112,382	12,153,331
\$	35,321,007	\$ 34,955,875	\$ 36,493,264	\$ 33,356,411	\$ 36,683,551	\$ 37,545,991
\$	821,200	\$ 1,282,209	\$ 1,058,488	\$ 1,286,862	\$ 1,165,023	\$ 1,076,651
	932,375	498,868	409,390	364,744	283,432	287,109
	7,157	-	18,103	-	-	6,968
	1,942,714	1,218,006	1,144,420	1,117,302	1,232,259	1,757,339
	3,851,095	425,781	394,426	1,700,083	490,530	836,436
	7,554,541	3,424,864	3,024,827	4,468,991	3,171,244	3,964,503
	6,079,733	6,909,153	7,032,664	8,480,944	9,889,295	10,722,645
	2,681	-	-	-	-	-
	390,177	-	-	-	-	-
	6,472,591	6,909,153	7,032,664	8,480,944	9,889,295	10,722,645
\$	14,027,132	\$ 10,334,017	\$ 10,057,491	\$ 12,949,935	\$ 13,060,539	\$ 14,687,148
\$	(18,186,177)	\$ (22,016,208)	\$ (24,401,780)	\$ (19,155,788)	\$ (22,399,925)	\$ (21,428,157)
	(3,107,698)	(2,605,650)	(2,033,993)	(1,250,688)	(1,223,087)	(1,430,686)
\$	(21,293,875)	\$ (24,621,858)	\$ (26,435,773)	\$ (20,406,476)	\$ (23,623,012)	\$ (22,858,843)

VILLAGE OF ALGONQUIN, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2011	2012	2013	2014
GENERAL REVENUES AND OTHER				
CHANGES IN NET POSITION				
Governmental activities				
Taxes				
Property	\$ 5,960,733	\$ 6,000,829	\$ 5,904,067	\$ 5,874,845
Home rule sales tax	-	-	-	-
Utility	1,015,552	963,634	999,135	998,361
Other	1,189,334	1,438,886	1,220,371	1,150,583
Intergovernmental - unrestricted				
Sales and use tax	8,030,266	8,630,053	9,023,020	10,129,119
Income tax	2,817,443	3,003,337	3,294,417	3,393,115
Franchise fees	-	-	-	-
Investment income	192,446	177,276	74,537	(219,130)
Miscellaneous	13,767	15,078	17,146	7,688
Transfers	-	-	-	-
Total governmental activities	19,219,541	20,229,093	20,532,693	21,334,581
Business-type activities				
Sales	2,140,901	2,189,131	1,665,803	742,925
Investment income	30,000	35,586	45,222	(205,050)
Miscellaneous	-	-	-	118,600
Transfers	-	-	-	-
Total business-type activities	2,170,901	2,224,717	1,711,025	656,475
TOTAL PRIMARY GOVERNMENT	\$ 21,390,442	\$ 22,453,810	\$ 22,243,718	\$ 21,991,056
CHANGE IN NET POSITION				
Governmental activities	\$ 590,977	\$ 2,977,212	\$ 6,895,701	\$ 2,081,731
Business-type activities	(902,792)	(618,587)	831,317	(1,070,320)
TOTAL PRIMARY GOVERNMENT	\$ (311,815)	\$ 2,358,625	\$ 7,727,018	\$ 1,011,411

*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

	2015	2016*	2017	2018	2019	2020
\$	5,844,048	\$ 5,937,891	\$ 6,266,415	\$ 6,376,663	\$ 6,489,997	\$ 6,565,496
	-	4,120,849	4,227,205	4,187,426	4,147,954	3,833,333
	951,723	899,377	923,668	919,160	963,975	898,906
	1,219,631	869,147	870,321	792,159	762,167	667,102
	11,459,955	7,635,490	7,704,133	7,733,394	7,618,630	7,344,889
	3,699,105	3,899,246	3,645,402	3,576,767	3,898,163	4,414,348
	-	546,474	547,683	531,436	513,038	498,795
	69,180	111,774	139,744	276,459	626,353	738,705
	7,633	293,938	146,656	121,170	58,342	152,602
	-	-	-	-	-	(4,684,636)
	23,251,275	24,314,186	24,471,227	24,514,634	25,078,619	20,429,540
	-	-	-	-	-	-
	72,105	24,551	55,540	147,987	189,136	265,156
	19,304	80,427	70,358	86,137	84,330	114,484
	-	-	-	-	-	4,684,636
	91,409	104,978	125,898	234,124	273,466	5,064,276
\$	23,342,684	\$ 24,419,164	\$ 24,597,125	\$ 24,748,758	\$ 25,352,085	\$ 25,493,816
\$	5,065,098	\$ 2,297,978	\$ 69,447	\$ 5,358,846	\$ 2,678,694	\$ (998,617)
	(3,016,289)	(2,500,672)	(1,908,095)	(1,016,564)	(949,621)	3,633,590
\$	2,048,809	\$ (202,694)	\$ (1,838,648)	\$ 4,342,282	\$ 1,729,073	\$ 2,634,973

VILLAGE OF ALGONQUIN, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2011	2012	2013	2014
GENERAL FUND				
Reserved	\$ 1,087,729	N/A	N/A	N/A
Unreserved - designated	631,745	N/A	N/A	N/A
Unreserved - undesignated	8,981,623	N/A	N/A	N/A
Nonspendable	N/A	\$ 104,327	\$ 128,636	\$ 87,013
Restricted	N/A	-	-	-
Committed	N/A	-	-	-
Assigned	N/A	-	-	-
Unassigned	N/A	13,237,235	14,576,319	14,953,584
TOTAL GENERAL FUND	\$ 10,701,097	\$ 13,341,562	\$ 14,704,955	\$ 15,040,597
ALL OTHER GOVERNMENTAL FUNDS				
Reserved	\$ 6,506,815	N/A	N/A	N/A
Unreserved, reported in				
Special Revenue Fund	3,001,419	N/A	N/A	N/A
Capital Projects Fund	130,320	N/A	N/A	N/A
Debt Service Fund	-	N/A	N/A	N/A
Nonspendable	N/A	\$ 225	\$ 235	\$ 167
Restricted	N/A	2,266,916	1,860,785	2,309,292
Committed	N/A	-	-	-
Assigned	N/A	5,247,710	6,098,107	7,180,275
Unassigned	N/A	(94,471)	-	-
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 9,638,554	\$ 7,420,380	\$ 7,959,127	\$ 9,489,734
TOTAL FUND BALANCES	\$ 20,339,651	\$ 20,761,942	\$ 22,664,082	\$ 24,530,331

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

	2015	2016	2017	2018	2019	2020
	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
\$	86,209	\$ 706,122	\$ 735,904	\$ 737,981	\$ 741,954	\$ 739,955
	578,255	395,843	1,440,207	1,261,957	1,157,306	1,154,437
	-	-	-	-	-	-
	-	-	271,471	276,168	446,466	452,384
	15,176,721	16,469,895	14,551,378	16,165,039	16,187,728	15,384,179
\$	15,841,185	\$ 17,571,860	\$ 16,998,960	\$ 18,441,145	\$ 18,533,454	\$ 17,730,955
	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
\$	166	\$ 135	\$ 169	\$ 151	\$ 179	\$ 182
	2,476,984	3,114,451	4,475,414	3,286,321	2,798,554	2,845,410
	-	-	-	-	-	-
	8,236,873	12,921,405	10,291,077	15,374,279	19,799,227	21,756,243
	(279,467)	(834,949)	(1,672,058)	(4,342,140)	(13,339,537)	(19,186,023)
\$	10,434,556	\$ 15,201,042	\$ 13,094,602	\$ 14,318,611	\$ 9,258,423	\$ 5,415,812
\$	26,275,741	\$ 32,772,902	\$ 30,093,562	\$ 32,759,756	\$ 27,791,877	\$ 23,146,767

VILLAGE OF ALGONQUIN, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2011	2012	2013	2014
REVENUES				
Taxes	\$ 19,016,084	\$ 19,922,146	\$ 20,385,852	\$ 21,452,273
Licenses and permits	358,788	397,652	705,734	407,800
Intergovernmental, grants, and contributions	1,277,185	1,553,508	2,378,726	1,438,538
Charges for services	301,319	338,722	340,063	333,652
Fines and forfeits	907,896	864,061	798,921	749,287
Investment income (loss)	192,446	177,277	74,537	(219,130)
Miscellaneous	58,564	135,304	128,322	263,402
Total revenues	22,112,282	23,388,670	24,812,155	24,425,822
EXPENDITURES				
General government	4,109,045	4,138,167	4,343,983	4,279,256
Public safety	7,980,376	8,328,490	8,570,284	8,787,750
Public works	6,064,344	5,685,056	7,485,932	7,066,611
Capital outlay	1,512,055	1,217,825	1,754,682	2,054,583
Debt service				
Principal	500,000	3,420,695	590,000	634,615
Interest	187,454	176,146	165,134	153,287
Total expenditures	20,353,274	22,966,379	22,910,015	22,976,102
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,759,008	422,291	1,902,140	1,449,720
OTHER FINANCING SOURCES (USES)				
Transfers in	852,355	852,355	852,355	850,000
Transfers (out)	(852,355)	(852,355)	(852,355)	(850,000)
Proceeds from capital lease	-	-	-	106,265
Proceeds from bonds/issuance of refunding bonds	-	-	-	2,885,000
Premium on general obligation bonds	-	-	-	119,392
Transfer to refunded bond escrow	-	-	-	(2,992,328)
Total other financing sources (uses)	-	-	-	118,329
NET CHANGE IN FUND BALANCES	\$ 1,759,008	\$ 422,291	\$ 1,902,140	\$ 1,568,049
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	3.65%	16.54%	3.57%	3.77%

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

Data Source

Audited Financial Statements

	2015	2016*	2017	2018	2019	2020
\$	23,141,444	\$ 11,770,767	\$ 12,287,609	\$ 12,275,407	\$ 12,364,092	\$ 11,964,838
	589,957	823,414	612,193	774,553	651,171	642,865
	2,436,940	12,809,274	12,876,044	12,767,070	13,307,351	14,408,168
	343,116	778,570	368,237	351,454	347,722	297,990
	687,897	551,438	459,464	414,078	322,254	311,253
	69,180	119,847	206,719	301,119	626,353	738,707
	218,533	885,770	685,788	689,944	630,920	714,858
	27,487,067	27,739,080	27,496,054	27,573,625	28,249,863	29,078,679
	4,531,249	4,740,911	5,263,774	4,992,141	4,969,495	5,046,318
	9,114,836	8,864,640	9,285,421	9,391,707	9,809,188	9,574,851
	8,060,229	6,207,114	10,521,050	7,067,477	8,071,952	7,217,689
	2,957,881	2,084,527	3,858,214	3,442,779	9,729,848	11,247,124
	689,757	565,825	571,951	588,138	605,979	615,000
	89,505	68,040	56,316	43,857	31,280	22,807
	25,443,457	22,531,057	29,556,726	25,526,099	33,217,742	33,723,789
	2,043,610	5,208,023	(2,060,672)	2,047,526	(4,967,879)	(4,645,110)
	596,147	599,829	1,909,801	625,000	1,860,230	3,654,063
	(596,147)	(599,829)	(1,909,801)	(625,000)	(1,860,230)	(3,654,063)
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	2,043,610	\$ 5,208,023	\$ (2,060,672)	\$ 2,047,526	\$ (4,967,879)	\$ (4,645,110)
	3.47%	3.04%	2.70%	3.05%	2.84%	3.18%

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)
2010	\$ 860,584,473	\$ 199,171,411	\$ 15,301,720	\$ 2,563,069	\$ 1,077,620,673	0.5233	\$ 3,232,862,019	33.333%	2	\$ 2,316,784	2	\$ 1,244,433
2011	777,644,853	186,100,950	14,937,997	2,596,949	981,280,749	0.5642	2,943,842,247	33.333%	1	5,136,364	-	-
2012	701,596,262	170,572,789	12,346,224	2,685,421	887,200,696	0.6208	2,661,602,088	33.333%	-	-	11	21,107,592
2013	638,297,331	153,327,229	10,791,813	2,595,085	805,011,458	0.6775	2,415,034,374	33.333%	5	1,582,118	4	1,355,749
2014	614,951,665	150,078,586	10,302,225	2,478,946	777,811,422	0.7047	2,333,434,266	33.333%	2	6,917,760	18	6,917,018
2015	632,117,357	155,044,307	10,869,811	2,539,920	800,571,395	0.7159	2,401,714,185	33.333%	5	23,264,060	24	8,535,989
2016	677,131,371	161,982,750	10,764,196	2,487,423	852,365,740	0.6570	2,557,097,220	33.333%	2	842,887	34	12,381,885
2017	721,868,930	165,068,135	11,045,596	2,652,140	900,634,801	0.6218	2,701,904,403	33.333%	3	8,823,020	33	10,895,670
2018	770,387,014	167,531,028	11,371,762	2,297,789	951,587,593	0.5885	2,854,762,779	33.333%	4	6,152,537	86	12,359,718
2019	799,471,194	170,917,770	9,992,552	2,359,312	982,740,828	0.5698	2,948,222,484	33.333%	3	10,900,000	49	6,469,974

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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
DIRECT TAX RATES										
General Corporate	0.5233	0.5642	0.6208	0.6775	0.7047	0.7159	0.6570	0.6218	0.5885	0.5698
Total direct rates	0.5233	0.5642	0.6208	0.6775	0.7047	0.7159	0.6570	0.6218	0.5885	0.5698
OVERLAPPING TAX RATES										
Fire District(s)	2.3469	2.4758	3.5099	3.8524	4.0108	3.9311	3.8735	3.7550	3.6610	3.6700
Kane County	0.3730	0.3990	0.4336	0.4623	0.4684	0.4479	0.4201	0.4025	0.3877	0.3739
Kane County Forest Preserve	0.2201	0.2609	0.2710	0.3039	0.3126	0.2944	0.2253	0.1658	0.1607	0.1549
McHenry County	0.7927	0.8879	0.9958	1.0960	1.1412	1.0781	1.0539	0.9019	0.8317	0.7868
McHenry County Conservation	0.1956	0.2191	0.2481	0.2748	0.2840	0.2766	0.2588	0.2449	0.2380	0.2286
Park districts (3)	0.8241	0.8665	0.7645	1.0765	1.1276	1.0618	0.8914	0.8136	0.7956	0.7627
Public libraries (4)	0.9916	1.0266	1.1517	1.2313	1.3632	1.3227	1.2601	1.2351	1.1307	1.1827
Road and bridge (4)	0.2552	0.2794	0.3942	0.4387	0.4548	0.4374	0.3999	0.3689	0.3473	0.7238
Schools (4)	9.9611	10.4509	12.0424	13.1491	14.0008	13.4877	12.5931	12.3311	12.1154	11.7426
Townships (4)	0.2984	0.3230	0.4165	0.4316	0.4468	0.4283	0.3792	0.2406	0.2248	0.6822
Algonquin SSA #1	-	-	-	-	-	5.6066	23.0860	3.6278	-	-
Total overlapping rates	16.2587	17.1891	20.2277	22.3166	23.6102	28.3726	44.4413	24.0872	19.8929	20.3082
TOTAL TAX RATES	16.7820	17.7533	20.8485	22.9941	24.3149	29.0885	45.0983	24.7090	20.4814	20.8780

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	2020			2011		
	2019 Taxable Equalized Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	2010 Taxable Equalized Assessed Value	Rank	Percentage of Total Village Equalized Assessed Valuation
In Retail Fund Algonquin Commons LLC	\$ 15,331,799	1	1.56%	\$ 29,160,373	1	2.71%
Marquette EJP Algonquin LLC	9,789,957	2	1.00%			0.00%
HSRE Algonquin LLC	6,420,623	3	0.65%			0.00%
B33 Woodscreek Commons LLC	6,103,297	4	0.62%			0.00%
Oakridget Ct LLC	4,777,940	5	0.49%			0.00%
Meijer Stores LTD Partnership	3,700,000	6	0.38%	3,976,726	7	0.37%
Wal-Mart Stores Inc	3,606,262	7	0.37%	5,905,718	3	0.55%
LTF USA Real Estate LLC	3,366,115	8	0.34%	4,086,415	6	0.38%
Target Corporation	3,153,015	9	0.32%	4,835,791	5	0.45%
Algonquin Galleria TIC Rollup LLC	3,151,912	10	0.32%			0.00%
Rubloff Oakridge Algonquin LLC				9,412,240	2	0.87%
Algonquin Randall LLC				5,365,055	4	0.50%
HD Development of MD Inc				3,651,457	8	0.34%
Jewel Food Stores Inc				3,249,726	9	0.30%
RPA Shopping Center Ph. 1 LLC				3,246,540	10	0.30%
TOTAL	<u>\$ 59,400,920</u>		<u>6.05%</u>	<u>\$ 72,890,041</u>		<u>6.77%</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*			
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	5,468,468	99.77%	817	5,469,285	99.79%
2015	5,893,481	5,870,423	99.61%	767	5,871,190	99.62%
2016	5,991,475	5,981,894	99.84%	5,706	5,981,894	99.94%
2017	6,102,372	6,102,657	100.00%	107	6,102,657	100.00%
2018	6,181,877	6,155,750	99.58%	-	6,155,750	99.58%
2019	6,316,337	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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General merchandise	\$ 1,328,129	\$ 1,253,051	\$ 1,366,558	\$ 1,365,588	\$ 2,094,389	\$ 2,120,466	\$ 2,063,688	\$ 1,998,831	\$ 2,031,205	\$ 1,979,138
Food	957,066	989,997	975,961	989,451	1,072,713	1,069,547	946,826	903,442	931,727	909,178
Drinking and eating places	592,419	667,728	717,117	732,747	754,333	776,846	832,807	857,156	875,504	888,365
Apparel	519,440	685,012	588,495	593,205	607,179	586,989	644,790	671,557	662,548	622,395
Furniture and H.H. and radio	510,346	491,866	523,162	549,625	590,672	628,199	760,486	627,696	607,712	618,027
Lumber, building hardware	303,779	304,682	301,486	346,042	356,151	368,429	330,374	346,174	352,379	368,749
Automobile and filling stations	1,070,284	1,223,019	1,254,027	1,258,100	557,652	511,290	605,334	671,991	695,963	746,345
Drugs and miscellaneous retail	1,038,679	1,065,226	1,036,697	1,081,094	1,150,529	998,903	1,152,036	1,152,124	1,036,151	1,019,417
Agriculture and all others	110,353	103,667	94,845	106,527	129,176	333,903	156,600	280,459	338,873	269,689
Manufacturers	83,071	117,709	75,772	81,124	103,111	157,401	151,712	186,256	178,181	166,265
TOTAL	\$ 6,525,655	\$ 6,948,585	\$ 6,991,371	\$ 7,144,335	\$ 7,453,273	\$ 7,580,028	\$ 7,667,131	\$ 7,695,686	\$ 7,710,243	\$ 7,587,566
Total number of payers	766	1,128	807	794	810	815	848	822	822	837
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
2011	1.75%	6.00%
2012	1.75%	6.00%
2013	1.75%	6.00%
2014	1.75%	6.00%
2015	1.75%	6.00%
2016	1.75%	6.00%
2017	1.75%	6.00%
2018	1.75%	6.00%
2019	1.75%	6.00%
2020	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	IEPA Loans			
2011	\$ 8,081,752	\$ -	\$ 9,220,000	\$ -	\$ 17,301,752	1.49%	\$ 576
2012	4,791,375	-	8,751,165	-	13,542,540	1.26%	451
2013	4,199,853	-	8,233,893	-	12,433,746	1.27%	414
2014	3,665,621	91,650	7,943,788	-	11,701,059	1.32%	389
2015	2,970,191	71,893	7,348,715	-	10,390,799	1.29%	346
2016	2,405,830	51,068	6,733,642	-	9,190,540	1.18%	306
2017	1,836,469	29,117	6,098,569	-	7,964,155	0.99%	265
2018	1,252,108	5,979	5,443,496	-	6,701,583	0.79%	223
2019	632,747	-	4,753,423	-	5,386,170	0.60%	179
2020	-	-	4,033,350	3,686,408	7,719,758	0.81%	257

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

VILLAGE OF ALGONQUIN, ILLINOIS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less Amounts Available for Repayment	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita
2011	\$ 17,301,752	\$ 3,550,824	\$ 13,750,928	1.19%	457.66
2012	13,542,540	885,085	12,657,455	1.17%	421.27
2013	12,433,746	675,164	11,758,582	1.20%	391.35
2014	11,609,409	767,180	10,842,229	1.22%	360.85
2015	10,318,906	-	10,318,906	1.28%	323.07
2016	9,139,472	-	9,139,472	1.18%	304.18
2017	7,935,038	-	7,935,038	0.99%	264.10
2018	6,695,604	-	6,695,604	0.79%	222.85
2019	5,386,170	-	5,386,170	0.60%	179.26
2020	4,033,350	-	4,033,350	0.42%	134.24

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

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

VILLAGE OF ALGONQUIN, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

April 30, 2020

Governmental Unit	Gross Debt	Percentage Debt Applicable to the Village*	Village's Share of Debt
Kane County	\$ 19,040,000	1.80%	\$ 342,720
McHenry County Conservation District	75,985,000	8.08%	6,139,588
Kane County Forest Preserve	133,215,000	1.80%	2,397,870
Huntley Area Public Library District	12,245,000	3.37%	412,657
Dundee Township Park District	15,581,000	14.23%	2,217,176
Huntley Park District	3,205,000	8.92%	285,886
Schools			
District No. 300	236,816,782	22.69%	53,733,728
District No. 158	84,180,516	9.38%	7,896,132
District No. 509	<u>162,125,146</u>	6.68%	<u>10,829,960</u>
Subtotal overlapping debt	742,393,444		84,255,717
Village of Algonquin direct debt	<u>-</u>		<u>-</u>
	<u>\$ 742,393,444</u>		<u>\$ 84,255,717</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, 2020

The Village is a home rule municipality.

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

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

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

VILLAGE OF ALGONQUIN, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year	Population		Equalized Assessed Value (EAV)	Per Capita EAV	Unemployment Rate
2011	30,046	**	\$ 1,157,591,396	\$ 38,527	8.00%
2012	30,046	**	1,077,620,673	35,866	8.60%
2013	30,046	**	981,280,749	32,659	8.10%
2014	30,046	**	887,200,696	29,528	5.20%
2015	30,046	**	805,011,458	26,793	4.90%
2016	30,046	**	777,811,422	25,887	5.47%
2017	30,046	**	800,571,395	26,645	4.70%
2018	30,046	**	852,365,740	28,369	4.28%
2019	30,046	**	900,634,801	29,975	4.85%
2020	30,046	**	951,587,593	31,671	N/A

**Estimate

N/A - information not available

Note: Personal income data not available

Data Source

Illinois Department of Employment Security

VILLAGE OF ALGONQUIN, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2020			2011		
	Rank	No. of Employees	Percent of Total Village Population	Rank	No. of Employees	Percent of Total Village Population
School District Number 300*	1	412	1.37%	1	368	1.22%
Jewel Osco	2	258	0.86%	-	-	0.00%
Walmart	3	219	0.73%	-	-	0.00%
LifeTime Fitness	4	177	0.59%	-	-	0.00%
Meijer	5	169	0.56%	-	-	0.00%
School District Number 158*	6	165	0.55%	-	-	0.00%
Kenmode Tool and Engineering, Inc.	7	150	0.50%	3	135	0.45%
Home Depot	7	150	0.50%	-	-	0.00%
Village of Algonquin	8	139	0.46%	2	159	0.53%
Super Target	9	120	0.40%	-	-	0.00%
Clarendale of Algonquin	10	102	0.34%	-	-	0.00%
PEP Wauconda LLC (formerly Wauconda Tool and Engineering)	-	-	0.00%	4	120	0.40%
Meyer Material Co.	-	-	0.00%	5	100	0.33%
Duro-Life Corp	-	-	0.00%	6	62	0.21%
Target Manufacturing Inc.	-	-	0.00%	7	50	0.17%
Coldwell Banker Primus	-	-	0.00%	7	50	0.17%
Algonquin State Bank	-	-	0.00%	8	40	0.13%
Hanson Material Service Corp.	-	-	0.00%	9	30	0.10%
SubCon Mfg. Corp.	-	-	0.00%	9	30	0.10%
G.W. Thiel, Inc	-	-	0.00%	9	30	0.10%
RE/MAX Unlimited Northwest	-	-	0.00%	10	28	0.09%

*Only schools located in the Village

Data Sources

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

VILLAGE OF ALGONQUIN, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
GENERAL GOVERNMENT										
Administration	19	19	20	19	19	18	19	17	19	18
Community development	12	12	12	12	12	12	11	8	8	9
PUBLIC SAFETY										
Police										
Officers	49	49	48	46	46	44	46	44	46	47
Civilians	11	11	11	11	10	8	9	8	8	7
PUBLIC WORKS										
Public works administration	6	6	6	6	4	4	4	4	4	3
Public works general services	30	29	30	29	25	26	25	23	23	23
Internal services	9	9	9	8	9	8	9	9	9	9
WATER										
Water and sewer	19	20	20	21	23	21	20	20	20	20
POOL										
	5	4	3	4	4	4	4	4	3	3
TOTAL	160	159	159	156	152	145	147	137	140	139

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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
GENERAL GOVERNMENT										
Community Development										
Building permits issued	1,854	2,170	2,354	2,467	4,107	3,122	3,050	2,864	3,123	2,681
Building inspections conducted	2,756	4,096	4,023	4,562	8,589	6,229	6,239	5,611	6,721	6,246
Property maintenance inspections conducted	3,552	4,330	4,605	3,982	4,292	4,737	4,105	3,169	2,668	7,339
PUBLIC SAFETY										
Police										
Physical arrests	660	724	555	511	488	520	640	460	435	351
Parking violations	1,375	1,271	1,302	1,287	1,040	839	879	932	447	800
Traffic violations	4,311	4,818	3,708	3,305	2,233	4,937	6,359	2,326	4,582	4,417
PUBLIC WORKS										
Streets										
Street resurfacing (miles)	2.77	1.76	2.00	4.90	5.10	-	4.80	4.80	1.20	3.34
Parks and Recreation										
Park sites	22	22	22	22	22	22	22	22	22	22
Developed park acreage	155	155	155	155	155	155	155	155	155	155
Open space	512	512	512	512	512	512	512	512	512	512
Water										
New connections (tap-ons)	5	-	13	7	22	2	38	28	78	43
Average daily consumption*	2,590	2,679	2,864	2,682	2,725	2,478	2,401	2,535	2,078	2,741
Peak daily consumption*	3,924	3,382	5,151	4,253	3,231	4,097	3,200	2,893	2,641	2,975
Wastewater										
Average daily sewage treatment**	3.0	2.9	2.8	3.0	2.9	3.1	3.3	3.5	3.8	3.8

*Thousands of gallons

**Millions of gallons

Data Source

Various village departments

VILLAGE OF ALGONQUIN, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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)	286	286	267	256	256	256	130	130	130	130
Streetlights	228	228	189	189	211	211	319	319	319	381
Parks and Recreation										
Acreage	667	667	667	667	667	667	667	667	667	667
Playgrounds	18	18	18	18	18	18	18	18	18	18
Sites with baseball diamonds	9	9	9	9	9	9	9	9	9	9
Sites with soccer fields	11	11	11	11	11	11	11	11	11	11
Sites with basketball courts	14	14	14	14	14	14	14	14	14	14
Sites with tennis courts	5	5	5	5	5	5	5	5	5	5
Water										
Water mains (miles)	170	165	165	165	168	168	168	168	168	168
Fire hydrants	2,176	2,208	2,213	2,213	2,214	2,224	2,276	2,264	2,260	2,260
Storage capacity*	3.390	3.390	3.390	3.390	3.390	3.390	3.390	3.390	3.390	3.390
Wastewater										
Sanitary sewers (miles)	140	138	135	137	144	145	144	139	139	139
Treatment capacity*	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000

*Thousands of gallons

Data Source

Various village departments