

**Village of Hainesville,  
Illinois**

**Annual Financial Report**

**For the Year Ended  
April 30, 2011**

**Wolf & Company LLP**  
Certified Public Accountants

## VILLAGE OF HAINESVILLE, ILLINOIS

### Table of Contents

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	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	2-11
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Assets	12
Statement of Activities	13-14
Fund Financial Statements	
Balance Sheet - Governmental Funds	15
Reconciliation of Balance Sheet of Governmental Funds to Statement of Net Assets	16
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	17
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to Statement of Activities	18
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	19
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Police Protection Fund	20
Statement of Net Assets - Proprietary Fund	21
Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Fund	22
Statement of Cash Flows - Proprietary Fund	23
Notes to the Financial Statements	24-38
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)	
Schedules of Funding Progress – Illinois Municipal Retirement Fund	39

# VILLAGE OF HAINESVILLE, ILLINOIS

## Table of Contents

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	PAGE
<u>INDIVIDUAL FUND FINANCIAL SCHEDULES</u>	
<u>GOVERNMENTAL FUND TYPES</u>	
GENERAL FUND	
Schedule of Revenues – Budget and Actual	40
Schedule of Expenditures – Budget and Actual	41-42
POLICE PROTECTION FUND	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	43
NONMAJOR FUND	
MOTOR FUEL TAX FUND	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	44
<u>PROPRIETARY FUND TYPE</u>	
ENTERPRISE FUNDS	
PUBLIC WORKS FUNDS	
Combining Schedule of Revenues, Expenses, and Changes in Net Assets	45
Schedule of Revenues and Expenses – Budget and Actual – Streets & Sanitation	46
Schedule of Revenues and Expenses – Budget and Actual – Water & Sewer	47
<u>SUPPLEMENTAL INFORMATION</u>	
Comparative Tax Data	48-49

## **INDEPENDENT AUDITOR'S REPORT**



## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees  
Village of Hainesville, Illinois

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, budgetary comparison information for the General and Police Protection Funds, and the aggregate remaining fund information of the Village of Hainesville, Illinois (the Village) as of and for the year ended April 30, 2011, which collectively, comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of Hainesville as of April 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison information for the General and Police Protection Funds, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The accompanying information consisting of individual fund financial statements and schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Management's Discussion and Analysis and Required Supplementary Information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Supplemental Information listed in the Table of Contents was not audited by us and, accordingly, we do not express an opinion thereon.

*Wolf & Company LLP*

Oakbrook, Illinois  
September 19, 2011

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**VILLAGE OF HAINESVILLE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**April 30, 2011**

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The Village of Hainesville's (the "Village") Management's 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 Village's financial statements.

**Financial Highlights**

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$17,558,698 (*net assets*). Of this amount, \$3,150,636 (*unrestricted net assets*) may be used to meet the Village's ongoing obligations to citizens and creditors.
- The Village's total net assets decreased by \$92,457. This includes the systematic and planned consumption of the Village's capital assets that is quantified as depreciation expense. Total depreciation expense for the year was \$327,810.
- As of the close of the current fiscal year, the Village's governmental funds reported combined fund balances of \$2,813,841. Of this amount, \$2,520,433 is available for spending at the Village's discretion (unreserved fund balance).
- At the end of the current fiscal year, the fund balance of the General Corporate Fund was \$2,397,587 or 232% of total General Fund expenditures during the current year.
- The Village's total debt increased by \$611,316 during the current fiscal year. A \$600,000 note was entered into by the Village for a purchase of real property. A tractor was also purchased on a 4 year lease for \$36,224.

**USING THE FINANCIAL SECTION OF THE COMPREHENSIVE ANNUAL REPORT**

The financial statements' 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 the basis for comparison (year-to-year or government-to-government) and enhance the Village's accountability.

## **VILLAGE OF HAINESVILLE, ILLINOIS MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)**

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### **Government-Wide Financial Statements**

The government-wide financial statements (see pages 12 to 14) are designed to emulate the corporate sector 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 Assets (see page 12) 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 funds' 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 13 and 14) is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

The Governmental Activities reflect the Village's basic services, including public safety and administration. Property taxes, shared state sales and income taxes, and local utility and franchise 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 familiar. The focus is on Major Funds, rather than fund types.

The Governmental Funds (see pages 15 to 20) 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.

While the totals of the Proprietary Fund Financial Statements (see pages 21 to 23) is the same as the Business-type column on the Government-Wide Financial Statement, the Governmental Funds Total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 16 and 18). The flow of current financial resources will reflect loan proceeds and interfund transfers as other financing sources as well as capital expenditures and loan 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).



**VILLAGE OF HAINESVILLE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)**

**FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE**

The following table reflects the condensed Statement of Net Assets:

**Table 1: Statement of Net Assets  
April 30, 2011 and 2010  
(in thousands)**

	Governmental Activities		Business-type Activities		Totals	
	2011	2010	2011	2010	2011	2010
<b>Assets</b>						
Current and Other Assets	\$ 3,467.9	3,319.7	744.1	1,110.4	4,212.0	4,430.1
Capital Assets	2,642.5	2,841.8	12,083.5	11,210.6	14,726.0	14,052.4
Total Assets	6,110.4	6,161.5	12,827.6	12,321.0	18,938.0	18,482.5
<b>Liabilities</b>						
Current Liabilities	622.4	687.6	150.2	91.0	772.6	778.6
Other Liabilities			606.7	52.7	606.7	52.7
Total Liabilities	622.4	687.6	756.9	143.7	1,379.3	831.3
<b>Net Assets</b>						
Invested in Capital Assets, Net of Debt	2,642.5	2,841.8	11,472.2	11,210.6	14,114.7	14,052.4
Restricted for Maintenance of Roadways	293.4	258.4			293.4	258.4
Unrestricted	2,552.1	2,373.7	598.5	966.7	3,150.6	3,340.4
Total Net Assets	\$ 5,488.0	5,473.9	12,070.7	12,177.3	17,558.7	17,651.2

For more detailed information, see the Statement of Net Assets (page 12).

The largest portion of the Village's net assets (80.5%) reflects an investment in capital assets (e.g., land, buildings, equipment, improvements and construction in progress), less any debt used to acquire those assets. The Village uses these capital assets to provide service to citizens; consequently, these assets are not available for spending. The second largest portion (17.9%) is unrestricted assets. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The remaining assets (1.6%) are restricted for maintenance of roadways.

VILLAGE OF HAINESVILLE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)

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**Normal Impacts**

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

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

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

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

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

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

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

**Current Year Impacts**

The Village's \$.09 million decrease in combined net assets (which is the Village's bottom line) was the result of the governmental activities net assets increasing by \$.01 million and the business-type activities net assets decreasing by \$.10 million. The General Fund decreased by \$138,749, mainly due to a portion of General Fund Reserves went toward the purchase of the Public Works Building. Police Protection Fund increase was \$298,387, due to the police department being disbanded within the fiscal year while the Police Contract for the remainder of the fiscal year was paid out of the General Fund; the Motor Fuel Tax Fund increase was \$35,017 due to MFT projects completed during the Fiscal Year that were less than the revenue that came in for MFT.

The net assets of the Village are generally not restricted. The balance of governmental unrestricted net assets, \$2,520,433, may be used to meet the Village's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Village is able to report positive balances in all categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

**VILLAGE OF HAINESVILLE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)**

**Changes in Net Assets**

The following chart shows the revenue and expenses of the governmental and business-type activities.

**Table 2: Statement of Changes in Net Assets  
Fiscal Years Ended April 30, 2011 and 2010  
(in thousands)**

	Governmental Activities		Business-type Activities		Totals	
	2011	2010	2011	2010	2011	2010
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ 93.3	115.2	876.9	860.2	970.2	975.4
Operating Grants and Contributions		1.8	7.6	7.8	7.6	9.6
General Revenues:						
Property Taxes	626.0	645.1			626.0	645.1
Utility Taxes	111.5	106.9			111.5	106.9
Franchise Taxes	209.6	211.6			209.6	211.6
Income Taxes	266.5	218.8			266.5	218.8
Sales Taxes	239.7	203.2			239.7	203.2
Other Taxes	102.4	86.9			102.4	86.9
Investment Income	3.3	3.5	0.5	1.5	3.8	5.0
Transfers	(141.2)		141.2			
	<u>1,511.1</u>	<u>1,593.0</u>	<u>1,026.2</u>	<u>869.5</u>	<u>2,537.3</u>	<u>2,462.5</u>
<b>Expenses</b>						
General Government	647.0	600.5			647.0	600.5
Public Safety	743.6	656.1			743.6	656.1
Public Works	106.4	106.5			106.4	107
Interest Expense		1.0				1
Water & Sewer			758.5	754.9	758.5	754.9
Streets & Sanitation			374.2	351.8	374.2	351.8
	<u>1,497.0</u>	<u>1,364.1</u>	<u>1,132.7</u>	<u>1,106.7</u>	<u>2,629.7</u>	<u>2,470.8</u>
Change in Net Assets	14.1	228.9	(106.5)	(237.2)	(92.4)	(8.3)
Net Assets, Beginning	<u>5,473.9</u>	<u>5,245.0</u>	<u>12,177.2</u>	<u>12,414.4</u>	<u>17,651.1</u>	<u>17,659.4</u>
Net Assets, Ending	<u>\$5,488.0</u>	<u>5,473.9</u>	<u>12,070.7</u>	<u>12,177.2</u>	<u>17,558.7</u>	<u>17,651.1</u>

**Increase/Decrease in Village 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 fees, building fees, etc).

**VILLAGE OF HAINESVILLE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)**

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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, etc.)

**Changing Patterns in Intergovernmental and Grant Revenue** (both recurring and non-recurring) such as, certain recurring revenues (state-shared revenue, 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** – 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 to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent the most significant of the Village's operating costs.

**Salary Increases** (annual adjustments/merit) – The ability to attract and retain (employees) resources requires the Village to strive to approach a competitive salary structure 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 repair parts. Some functions may experience commodity specific increases.

**VILLAGE OF HAINESVILLE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)**

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**Current Year Impacts**

*Governmental Activities*

**Revenue:**

For the fiscal year ended April 30, 2011, revenues from the governmental activities totaled \$1,511,042. Property tax revenues are the Village's largest revenue source, coming in at \$625,964 with state income tax of \$266,521 and sales and use tax receipts of \$239,653. Franchise and utility taxes are \$209,594 and \$111,535, respectively.

**Expenses:**

For the fiscal year ended April 30, 2011, expenses for governmental activities totaled \$1,496,966.

*Business-type Activities*

**Revenue:**

For the fiscal year ended April 30, 2011, revenues from the business-type activities totaled \$1,026,219.

The major revenue source is Charges for Services to operate the Water and Sewer Funds.

**Expenses:**

For the fiscal year ended April 30, 2011, expenses for business-type activities totaled \$1,132,752, including depreciation and amortization of \$151,647.

The Water and Sewer Funds follow the same strict spending guidelines imposed on the Governmental Funds.

**VILLAGE OF HAINESVILLE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)**

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

**Governmental Funds**

At April 30, 2011, the governmental funds (as presented on the balance sheet on page 15) reported a combined fund balance of \$2,813,841.

**General Fund Budgetary Highlights**

The 2011 fiscal year budget, as originally approved by the Village Board, was not amended during the current year. Below is a table that reflects the original and actual revenues and expenditures for the General Fund.

**Table 3: General Fund Budgetary Highlights  
(in thousands)**

	Original/Final Budget	Actual
Revenues		
Taxes	\$ 415.6	456.5
Intergovernmental	453.4	496.7
Other	29.8	81.2
Total	898.8	1,034.4
Expenditures		
General Government	508.3	515.8
Public Safety	560.0	516.2
Total	1,068.3	1,032.0
Change in Fund Balance	\$ (169.5)	2.4

The General Fund's actual revenues were over budget by \$135,622 (15.1%) and actual expenditures were \$36,286 (3.4%) less than the budgeted amount. Intergovernmental revenues received were over budget by \$43,361 (9.6%); fees, licenses and permits were over by \$31,574 (135.9%). The primary expenditure budget variance was in General Government contractual services (\$17,251 under budget).

**VILLAGE OF HAINESVILLE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)**

**Capital Assets**

At the end of Fiscal Year 2011, the Village had a combined total of capital assets of \$14,726.0 million invested in a broad range of capital assets including land, buildings, vehicles, water mains, storm sewers and sanitary sewer lines. (See Table 4 below).

**Table 4: Schedule of Capital Assets**  
**April 30, 2011**  
**(in thousands)**

	Governmental Activities	Business-type Activities	Total
Land	\$ 99.0	3,998.9	4,097.9
Buildings and Improvements	748.8	819.2	1,568.0
Land Improvements	163.2		163.2
Office Furniture and Equipment	38.4		38.4
Police Equipment	2.4		2.4
Other Assets	43.9	120.4	164.3
Infrastructure	1,546.8		1,546.8
Water and Sewer System		5,255.7	5,255.7
Storm System		1,889.3	1,889.3
	<u>\$ 2,642.5</u>	<u>12,083.5</u>	<u>14,726.0</u>

**Table 5: Change in Capital Assets**  
**(in thousands)**

	Governmental Activities	Business-type Activities	Total
Beginning Balance, net	\$ 2,841.8	11,210.6	14,052.4
Additions			
Non-depreciable Assets			
Depreciable Assets		1,024.5	1,024.5
Disposals			
Asset	(65.7)		(65.7)
Accumulated depreciation	42.6		42.6
Depreciation Expense	<u>(176.2)</u>	<u>(151.6)</u>	<u>(327.8)</u>
Ending Balance	<u>\$ 2,642.5</u>	<u>12,083.5</u>	<u>14,726.0</u>

See Note 3 for additional information of the Village's capital assets.

**VILLAGE OF HAINESVILLE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT.)**

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**Debt Outstanding**

The Village of Hainesville had total long-term debt and loans payable of \$555,094 as of April 30, 2011. Long-term debt is comprised of a bank note payable and a capital lease obligation. During the year, \$12,530 of long term debt was paid down, \$636,224 in notes and leases were issued.

The bank loan is payable in 59 regular payments and one irregular payment. Revenues from Cell Tower Franchise Agreements are offsetting the payments. This property is being used as a Public Works Facility and houses Public Works Trucks and Equipment.

Additional information on the Village's long-term bonded debt can be found in the Note 4 to the basic financial statements.

**Economic Factors**

Even though economic times are tough the village has maintained a balanced budget and continues to find ways to reduce expenses. During this past fiscal year a new large business and a few small businesses opened up within the village. With these new businesses the village anticipates more revenue for Sales Tax. The economic situation within our State has affected the village's receipt of State Income Taxes. They are currently three (3) months behind. Foreclosures within the village have decreased and some of the foreclosed homes have been purchased. The village is looking forward to the small but steady growth we have seen this past year to continue throughout this next fiscal year.

**CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, 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 Kelly Hensley, Village Treasurer, Village of Hainesville, 100 North Hainesville Road, Hainesville, IL 60030.



## **BASIC FINANCIAL STATEMENTS**

# VILLAGE OF HAINESVILLE, ILLINOIS

## Statement of Net Assets April 30, 2011

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 2,658,190	624,670	3,282,860
Receivables			
Property Taxes	589,465		589,465
Other Taxes	204,523		204,523
Customer Accounts	15,786	119,404	135,190
Total Current Assets	3,467,964	744,074	4,212,038
Capital Assets			
Land	99,000	3,998,939	4,097,939
Other Capital Assets, Net of Depreciation	2,543,453	8,084,578	10,628,031
Total Capital Assets	2,642,453	12,083,517	14,725,970
Total Assets	6,110,417	12,827,591	18,938,008
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable and Accrued Expenses	15,117	93,507	108,624
Deferred Revenue	13,095		13,095
Deferred Revenue - Property Taxes	589,465		589,465
Compensated Absences Payable	4,770	451	5,221
Current Portion of Long-Term Debt			
Note Payable - Bank		47,386	47,386
Capital Lease		8,836	8,836
Total Current Liabilities	622,447	150,180	772,627
Noncurrent Liabilities			
Note Payable - Bank		536,142	536,142
Capital Lease		18,952	18,952
Special Customer Credit		51,589	51,589
Total Noncurrent Liabilities	-	606,683	606,683
Total Liabilities	622,447	756,863	1,379,310
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	2,642,453	11,472,201	14,114,654
Restricted for Maintenance of Roadways	293,408		293,408
Unrestricted	2,552,109	598,527	3,150,636
Total Net Assets	\$ 5,487,970	12,070,728	17,558,698

See accompanying Notes to the Financial Statements.

# VILLAGE OF HAINESVILLE, ILLINOIS

Statement of Activities  
For the Year Ended April 30, 2011

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government			
Governmental Activities			
General Government	\$ 646,961	78,021	
Public Safety	743,572	15,263	
Public Works	106,433		
Total Governmental Activities	1,496,966	93,284	-
Business-Type Activities			
Water & Sewer	758,537	712,596	
Streets & Sanitation	374,215	164,349	7,595
Total Business-Type Activities	1,132,752	876,945	7,595
Total Primary Government	\$ 2,629,718	970,229	7,595

General Revenues  
 Taxes  
   Property  
   Utility  
   Franchise  
   Income  
   Sales  
   Motor Fuel  
   Replacement  
 Unrestricted Investment  
 Earnings  
 Transfers  
   Total General Revenues

Change in Net Assets

Net Assets

May 1

April 30

See accompanying Notes to the Financial Statements.

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-Type Activities	Total
(568,940)		(568,940)
(728,309)		(728,309)
(106,433)		(106,433)
(1,403,682)	-	(1,403,682)
	(45,941)	(45,941)
	(202,271)	(202,271)
-	(248,212)	(248,212)
(1,403,682)	(248,212)	(1,651,894)
625,964		625,964
111,535		111,535
209,594		209,594
266,521		266,521
239,653		239,653
102,083		102,083
288		288
3,320	479	3,799
(141,200)	141,200	
1,417,758	141,679	1,559,437
14,076	(106,533)	(92,457)
5,473,894	12,177,261	17,651,155
5,487,970	12,070,728	17,558,698

# VILLAGE OF HAINESVILLE, ILLINOIS

## Governmental Funds

### Balance Sheet

April 30, 2011

	General Fund	Police Protection Fund	Motor Fuel Tax Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 2,371,890		286,300	2,658,190
Receivables				
Property Taxes	589,465			589,465
Other Taxes	197,415		7,108	204,523
Permits	15,786			15,786
Due from Other Funds		122,846		122,846
<b>Total Assets</b>	<b>\$ 3,174,556</b>	<b>122,846</b>	<b>293,408</b>	<b>3,590,810</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 15,117			15,117
Due to Other Funds	122,846			122,846
Deferred Revenue	13,095			13,095
Deferred Property Tax Revenue	589,465			589,465
Deferred Other Taxes	36,446			36,446
<b>Total Liabilities</b>	<b>776,969</b>	<b>-</b>	<b>-</b>	<b>776,969</b>
<b>Fund Balances</b>				
Reserved for Maintenance of Roadways			293,408	293,408
Unreserved	2,397,587	122,846		2,520,433
<b>Total Fund Balances</b>	<b>2,397,587</b>	<b>122,846</b>	<b>293,408</b>	<b>2,813,841</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,174,556</b>	<b>122,846</b>	<b>293,408</b>	<b>3,590,810</b>

See accompanying Notes to the Financial Statements.

VILLAGE OF HAINESVILLE, ILLINOIS

Reconciliation of Balance Sheet of Governmental Funds  
to Statement of Net Assets

April 30, 2011

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Total Fund Balances - Governmental Funds	\$ 2,813,841
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	2,642,453
Some receivables do not provide current financial resources and, therefore, are reported as deferred revenue in governmental funds. These consist of revenues collected after 60 days of year end.	36,446
Some liabilities reported in the Statement of Net Assets do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds. These activities consist of: Compensated absences payable	<u>(4,770)</u>
Net Assets of Governmental Activities	<u>\$ 5,487,970</u>

See accompanying Notes to the Financial Statements.

# VILLAGE OF HAINESVILLE, ILLINOIS

## Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds Year Ended April 30, 2011

	General Fund	Police Protection Fund	Motor Fuel Tax Fund	Total Governmental Funds
Revenues				
Taxes	\$ 456,521	489,774	102,083	1,048,378
Intergovernmental	496,733			496,733
Fines and Forfeitures		15,263		15,263
Fees, Licenses and Permits	54,814			54,814
Investment Income	3,182		138	3,320
Miscellaneous	23,207			23,207
Total Revenues	1,034,457	505,037	102,221	1,641,715
Expenditures				
Current				
General Government	480,483			480,483
Public Safety	516,220	206,650		722,870
Total Current Expenditures	996,703	206,650	-	1,203,353
Capital Outlay	35,303		67,204	102,507
Total Expenditures	1,032,006	206,650	67,204	1,305,860
Excess of Revenues over Expenditures	2,451	298,387	35,017	335,855
Other Financing Uses				
Transfers Out	(141,200)			(141,200)
Net Change in Fund Balance	(138,749)	298,387	35,017	194,655
Fund Balances				
May 1	2,536,336	(175,541)	258,391	2,619,186
April 30	\$ 2,397,587	122,846	293,408	2,813,841

See accompanying Notes to the Financial Statements.

## VILLAGE OF HAINESVILLE, ILLINOIS

### Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended April 30, 2011

Net Change in Fund Balances - Total Governmental Funds	\$ 194,655
Amounts reported for governmental activities in the Statement of Activities are different because:	
Government funds do not record loss on sale of capitalized assets; however, they are an expense in the Statement of Activities.	(23,154)
Depreciation is not considered an expenditure in the governmental funds.	(176,163)
Tax revenues in the Statement of Activities that do not provide current financial resources are reported as deferred revenue in the governmental funds.	10,527
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.	
Decrease in compensated absences	<u>8,211</u>
Change in Net Assets of Governmental Activities	<u>\$ 14,076</u>

See accompanying Notes to the Financial Statements.



# VILLAGE OF HAINESVILLE, ILLINOIS

## General Fund

### Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Year Ended April 30, 2011

	Final Budget	Actual	Variance from Final Budget Over (Under)
Revenues			
Taxes	\$ 415,613	456,521	40,908
Intergovernmental	453,372	496,733	43,361
Fees, Licenses and Permits	23,240	54,814	31,574
Interest Income		3,182	3,182
Miscellaneous	6,610	23,207	16,597
Total Revenues	898,835	1,034,457	135,622
Expenditures			
General Government			
Personnel	184,560	195,717	11,157
Contractual Services	248,137	230,886	(17,251)
Commodities	25,213	24,337	(876)
Other		29,543	29,543
Capital Outlay	50,382	35,303	(15,079)
Total General Government Division	508,292	515,786	7,494
Public Safety			
Emergency Management Agency			
Contractual Services		674	674
Commodities		251	251
Total Emergency Management Agency	-	925	925
Police Protection			
Contractual Services	560,000	515,295	(44,705)
Total Public Safety	560,000	516,220	(43,780)
Total Expenditures	1,068,292	1,032,006	(36,286)
Excess (Deficiency) of Revenues over Expenditures	(169,457)	2,451	171,908
Other Financing Uses			
Transfers Out		(141,200)	(141,200)
Net Change in Fund Balance	<u>\$ (169,457)</u>	(138,749)	<u>30,708</u>
Fund Balance			
May 1		2,536,336	
April 30		<u>2,397,587</u>	

See accompanying Notes to the Financial Statements.

**VILLAGE OF HAINESVILLE, ILLINOIS**

## Police Protection Fund

Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2011

	Final Budget	Actual	Variance from Final Budget Over (Under)
Revenues			
Taxes	\$ 491,002	489,774	(1,228)
Fines and Forfeitures	5,100	15,263	10,163
Total Revenues	<u>496,102</u>	<u>505,037</u>	<u>8,935</u>
Expenditures			
Public Safety			
Personnel	141,500	124,724	(16,776)
Contractual Services	91,815	77,929	(13,886)
Commodities	6,870	3,997	(2,873)
Total Expenditures	<u>240,185</u>	<u>206,650</u>	<u>(33,535)</u>
Net Change in Fund Balance	<u>\$ 255,917</u>	298,387	<u>42,470</u>
Fund Balance			
May 1		<u>(175,541)</u>	
April 30		<u>122,846</u>	

See accompanying Notes to the Financial Statements.

**VILLAGE OF HAINESVILLE, ILLINOIS**

Proprietary Fund - Public Works Fund

Statement of Net Assets

April 30, 2011

Assets

Current Assets

Cash and Cash Equivalents	\$ 624,670
Accounts Receivable	119,404
Total Current Assets	<u>744,074</u>

Noncurrent Assets

Land	3,998,939
Capital Assets at Cost	9,553,776
Less Accumulated Depreciation	(1,469,198)
Total Noncurrent Assets	<u>12,083,517</u>

Total Assets	<u>12,827,591</u>
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Liabilities

Current Liabilities

Accounts Payable	91,857
Water Deposits	1,650
Compensated Absences	451
Current Portion of Long-Term Debt	
Note Payable - Bank	47,386
Capital Lease	8,836
Total Current Liabilities	<u>150,180</u>

Noncurrent Liabilities

Note Payable - Bank	536,142
Capital Lease	18,952
Special Customer Credit	51,589
Total Noncurrent Liabilities	<u>606,683</u>

Total Liabilities	<u>756,863</u>
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Net Assets

Invested in Capital Assets	11,472,201
Unrestricted	<u>598,527</u>
Total Net Assets	<u>\$ 12,070,728</u>

See accompanying Notes to the Financial Statements.

**VILLAGE OF HAINESVILLE, ILLINOIS**

Proprietary Fund - Public Works Fund

Statement of Revenues, Expenses  
and Changes in Net Assets  
Year Ended April 30, 2011

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Operating Revenues	
Charges for Services	<u>\$ 876,945</u>
Operating Expenses	
Operations	966,315
Depreciation	<u>151,647</u>
Total Operating Expenses	<u>1,117,962</u>
Operating Loss	<u>(241,017)</u>
Nonoperating Revenue (Expense)	
Road and Bridge Tax	7,595
Investment Income	479
Interest Expense and Executory Costs	<u>(14,790)</u>
Total Nonoperating Revenues (Expenses)	<u>(6,716)</u>
Loss before Transfer	(247,733)
Transfer In	<u>141,200</u>
Change in Net Assets	(106,533)
Net Assets	
Beginning of Year	<u>12,177,261</u>
End of Year	<u><u>\$ 12,070,728</u></u>

See accompanying Notes to the Financial Statements.

## VILLAGE OF HAINESVILLE, ILLINOIS

### Proprietary Fund - Public Works Fund

#### Statement of Cash Flows Year Ended April 30, 2011

Cash Flows from Operating Activities	
Receipts from Customers	\$ 875,837
Payments to Suppliers	(845,785)
Payments to Employees	(117,614)
	<u>(87,562)</u>
Cash Flows from Investing Activities	
Earnings on Investments	<u>479</u>
Cash Flows from Capital and Related Financing Activities	
Proceeds from Note Payable	600,000
Principal Paid on Long-Term Debt	(16,472)
Capital Lease Payment	(8,436)
Interest Expense and Executory Costs	(14,790)
Acquisition of Capital Assets	(988,364)
	<u>(428,062)</u>
Cash Flows from Non-Capital and Related Financing Activities	
Transfers In	141,200
Receipts from Taxes	7,595
	<u>148,795</u>
Net Decrease in Cash and Cash Equivalents	(366,350)
Cash and Cash Equivalents	
May 1	<u>991,020</u>
April 30	<u>\$ 624,670</u>
Reconciliation of Operating Loss to Net Cash	
Used in Operating Activities	
Operating Loss	\$ (241,017)
Adjustments to Reconcile Operating Loss to Net Cash	
Used in Operating Activities	
Depreciation	151,647
Changes in Assets and Liabilities	
Increase in Accounts Receivable	(13)
Increase in Current Liabilities	2,916
Decrease in Special Customer Credit	(1,095)
	<u>\$ (87,562)</u>

See accompanying Notes to the Financial Statements.

## VILLAGE OF HAINESVILLE, ILLINOIS

### Notes to the Financial Statements

April 30, 2011

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#### 1. Summary of Significant Accounting Policies

The Village of Hainesville, Illinois (the Village) was organized in 1847 and operates under a President-Trustee form of government. The Village provides the following services as authorized by its governing board: police, streets and sanitation, water and sewer, public improvements, community development, and general and administrative services.

The Village employed one full-time police chief through July 29, 2010, four full-time officers and, one full-time Police Records Clerk through July 21, 2010. One full-time public works supervisor was employed the entire fiscal year. All other employees are hired on a part-time basis. Police services were contracted to the Village of Grayslake in July 2010.

The accounting and reporting policies of the Village included in the accompanying financial statements conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to state and local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements is described below.

##### A. Reporting Entity

The reporting entity includes the governing board and all related organizations for which the Village is financially accountable.

The Village has developed criteria to determine whether outside agencies should be included within its financial reporting entity. The criteria includes, but is not limited to, whether the Village appoints a majority of the organization's Governing Board and is able to control the operation, and whether financial benefits are received, or financial burdens imposed.

The Village has determined that no other outside agency meets the above criteria; therefore, no other agency has been included as a component unit in the Village's financial statements.

##### B. Basis of Presentation

The Village's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information. The government-wide focus is more on the sustainability of the Village as an entity and the change in aggregate financial position resulting from activities of the fiscal period.

##### *Government-wide Financial Statements*

The statement of net assets and the statement of activities display information about the Village as a whole. In the government-wide statement of net assets, both the governmental and business-type activities columns are presented on a consolidated basis by column. For the most part, the effect of interfund activity has been removed 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 government-wide statement of activities reflects both the direct expenses and net cost of each function of the Village's governmental activities and business-type activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are

## VILLAGE OF HAINESVILLE, ILLINOIS

### Notes to the Financial Statements

April 30, 2011

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#### 1. Summary of Significant Accounting Policies (Cont.)

##### B. Basis of Presentation (Cont.)

###### *Government-wide Financial Statements (Cont.)*

restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the Village, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the Village.

###### *Fund Financial Statements*

The financial transactions of the Village are recorded in individual funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and presented as nonmajor funds. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

##### C. Measurement Focus and Basis of Accounting

###### *Government-wide Financial Statements*

The government-wide financial statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statements of net assets and the operating statements present increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized when earned, if measurable, and expenses are recognized as incurred, regardless of the timing of related cash flows.

The Village has reported three categories of program revenues in the statement of activities: (1) charges for services, (2) program-specific operating grants and contributions, and (3) program-specific capital grants and contributions. Program revenues are derived directly from the program itself or from external sources, such as the State of Illinois; they reduce the net cost of each function to be financed from the Village's general revenues. For identifying the function to which program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is the function to which the revenues are restricted.

## VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2011

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### 1. Summary of Significant Accounting Policies (Cont.)

#### C. Measurement Focus and Basis of Accounting (Cont.)

##### *Government-wide Financial Statements (Cont.)*

Eliminations have been made in the statement of net assets to remove the "grossing-up" effect on assets and liabilities within the governmental activities column for amounts reported in the individual funds as interfund receivables and payables and advances. Similarly, operating transfers between funds have been eliminated in the statement of activities.

##### *Fund Financial Statements*

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue resulting from exchange transactions in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Taxpayer-assessed taxes, gross receipts and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. The Village considers all revenues available if they are collected within 60 days after year end. Due to the State of Illinois' fiscal difficulties and the resulting delay in distributing receipts to local municipalities, the 60 day availability period for state income taxes was extended in order to record twelve months of tax revenues. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain. All other revenue items are considered measurable and available only when cash is received by the Village. Expenditures are recorded on an accrual basis except for expenditures for insurance and similar services extending over more than one accounting period, which are accounted for as expenditures in the period of acquisition, and inventory items, such as materials and supplies, which are considered expenditures in the period purchased, but any significant amounts of inventory are reported on the balance sheet.

Nonexchange transactions, in which the Village receives value without directly giving equal in return, include income, sales and property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements in which the Village must provide local resources to be used for a specified purpose, and expenditure requirements in which the resources are provided to the Village on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

All proprietary funds are accounted for on a flow of economic resources measurement focus and are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Proprietary funds separate all activity into two categories: operating and non-operating revenues and expenses. Operating revenues and expenses result from providing services and producing and delivering goods. Non-operating revenues and expenses entail all other activity not included in operating revenues and expenses. Non-operating revenues and expenses include capital and noncapital financing activities and investing activities.



## VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2011

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### 1. Summary of Significant Accounting Policies (Cont.)

#### C. Measurement Focus and Basis of Accounting (Cont.)

##### *Fund Financial Statements (Cont.)*

Differences occur from the manner in which the governmental activities and the government-wide financial statements are prepared due to the inclusion of capital asset and long-term debt activity. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

##### Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Village's major governmental funds:

**General Corporate Fund** – The Corporate Fund is the general operating fund of the Village. It is used to account for the revenues and expenditures used in providing services in the Village except those required to be accounted for in other funds.

**Police Protection Fund** – The Police Protection Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Effective July 2010, the Police Services Contract with Grayslake is being reported in the General Fund.

##### Proprietary Fund

Proprietary funds are used to account for the ongoing operations and activities, which are similar to those often found in the private sector. The measurement focus is upon determination of net income. The Village has chosen the option to apply all applicable GASB pronouncements and all FASB Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements to the proprietary fund activities.

The Village's proprietary fund is classified as an enterprise fund, and is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the Village Board has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

## VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements

April 30, 2011

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### 1. Summary of Significant Accounting Policies (Cont.)

#### C. Measurement Focus and Basis of Accounting (Cont.)

*Fund Financial Statements (Cont.)*

#### Proprietary Fund (Cont.)

The Village reports the following major proprietary fund:

**Public Works Fund** – The Public Works Fund is used to account for activities which are similar to those often found in the private sector, where the determination of net income is necessary or useful to sound financial administration.

#### D. Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Taxes for which there is an enforceable legal claim as of April 30, 2011, but which were not considered available, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met and recreation program fees received in advance are also recorded as deferred revenue.

#### E. Capital Assets

Capital outlays are recorded as expenditures in the fund financial statements of the governmental funds and as assets in the government-wide financial statements to the extent the Village's capitalization threshold of \$10,000 is met. Depreciation is recorded on general capital assets in the government-wide statements using the straight-line method and the following estimated useful lives:

Buildings and Building Improvements	50 years
Machinery and Equipment	5 – 25 years
Furniture and Fixtures	7 – 20 years
Land Improvements	20 – 30 years
Water and Sewer System	65 years
Infrastructure	15 – 30 years

To the extent the Village's capitalization policy of \$10,000 is met, capital outlays of the proprietary funds are recorded as capital assets and depreciated in both the fund financial statements and the government-wide financial statements.

All capital assets are valued at historical cost or estimated historical cost if actual cost was not available. Contributed capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of an asset are not capitalized.

## VILLAGE OF HAINESVILLE, ILLINOIS

### Notes to the Financial Statements

April 30, 2011

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#### 1. Summary of Significant Accounting Policies (Cont.)

##### F. Cash and Investments

Investments held by the Village which are short-term highly liquid investments having a remaining maturity of one year or less at the date of purchase are reported by the Village at amortized cost. All other investments are reported at fair value in accordance with GASB 31. Gains or losses on the sale of investments are recognized upon realization. Unrealized gains and losses are recognized for those investments valued at fair value. The investment with the State Treasurer's Illinois Funds is at fair value, which is the same value as the pool shares. The state statute requires the State Treasurer's Illinois Funds to comply with the Illinois Public Funds Investment Act (30 ILCS 235).

The Village will invest in accordance with the guidelines provided in the Illinois Compiled Statutes, Chapter 30, Section 235/2 and Chapter 5, Section 220/15. Appropriate investments include:

1. Interest-bearing savings accounts, interest-bearing certificates of deposit or interest-bearing time deposits that are direct obligations of any bank that is insured by the Federal Deposit Insurance Corporation (FDIC).
2. Bonds, notes, certificates of indebtedness, treasury bills or other securities guaranteed by the full faith and credit of the United States of America.
3. Bonds, notes, debentures, or other similar obligations of the United States of America or its agencies.
4. Short-term obligations of United States corporations (commercial paper) with assets over \$500,000,000 if a) such obligations are rated in the three highest classifications established by at least two standard rating services and mature not later than 180 days from the purchase date, b) such purchases do not exceed 10% of the corporation's outstanding obligations, and c) such purchases do not exceed more than one-third of the Village's portfolio.
5. Money market mutual funds registered under the Investment Company Act of 1940, provided that the portfolio of any such money market mutual fund is limited to obligations of the U.S. Government or its agencies.
6. State of Illinois Funds.

Investments in repurchase agreements and derivative securities are not permitted, per the Village's investment policy.

For purposes of the statement of the cash flows, the Village considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

## VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements

April 30, 2011

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### 1. Summary of Significant Accounting Policies (Cont.)

#### G. Fund Equity

In the government-wide financial statements, net assets are reported as restricted when constraints placed on net assets are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

In the government-wide financial statements, equity is classified as net assets and displayed in three components:

- Invested in Capital Assets – consists of capital assets, net of accumulated depreciation and related debt.
- Restricted Net Assets – consists of net assets with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or law through constitutional provisions or enabling legislation.
- Unrestricted Net Assets – consists of all other net assets that do not meet the definition of restricted net assets.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a restricted purpose. Designations of fund balance represent tentative plans for future use of financial resources that are subject to change.

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance may further be classified as reserved and unreserved.

#### H. Long-Term Liabilities

In the government-wide financial statements and the fund financial statements of the proprietary funds, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

## VILLAGE OF HAINESVILLE, ILLINOIS

### Notes to the Financial Statements

April 30, 2011

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#### 1. Summary of Significant Accounting Policies (Cont.)

##### I. Property Taxes

Property taxes for 2010 attach as an enforceable lien on January 1, 2010, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments on or about June 1, 2011 and September 1, 2011. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy to reflect actual collection experience. As the 2010 tax levy is used to fund operations of the 2011-2012 fiscal year, the revenue has been deferred at April 30, 2011.

##### J. Accumulated Unpaid Compensated Absences

The Village reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. The entire compensated absences liability is reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

##### K. Use of Estimates

Management has made a number of estimates and assumptions relating to the reporting of assets and liabilities to prepare these financial statements in conformity with GAAP. Actual results could differ from those estimates.

##### L. Budgetary Data

The Board of Trustees follows these procedures in establishing the budgetary data reflected in the general purpose financial statements:

- (1) Within or before the first quarter of each fiscal year, the Board of Trustees adopts the annual budget and appropriation ordinance.
- (2) The budget document is available for public inspection for at least ten days prior to the Board of Trustees' public hearing and the passage of the annual budget and appropriation ordinance. The Board of Trustees is also required to hold at least one public hearing on the appropriation ordinance.
- (3) Subsequent to the enactment of the annual budget and appropriation ordinance, the Board of Trustees has the authority to make any necessary adjustments to the budget. There were no budget adjustments made during the year.

For each fund, total fund expenditures may not legally exceed the budgeted amounts. All appropriations lapse at the fiscal year-end.

The budget was prepared on the modified accrual basis of accounting; the same basis used in the preparation of the Village's general purpose financial statements.

## VILLAGE OF HAINESVILLE, ILLINOIS

### Notes to the Financial Statements

April 30, 2011

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#### 1. Summary of Significant Accounting Policies (Cont.)

##### M. Excess of Expenditures over Budget/Deficit Fund Balance

The following funds had an excess of actual expenditures/expenses over budget for the fiscal year April 30, 2011:

Enterprise -	
Water and Sewer Division	\$ 2,781
Streets and Sanitation Division	54,575

There were no funds that had a deficit in the fund balance at April 30, 2011.

#### 2. Cash and Investments

##### A. Cash

The carrying amount of cash was \$1,013,596 at April 30, 2011, while the bank balances were \$1,060,053. Bank balances were either insured by the Federal Deposit Insurance Corporation (FDIC) for \$250,000, or collateralized with securities of the U.S. Government or with letters of credit issued by the Federal Home Loan Bank held in the Village's name by financial institutions acting as the Village's agent.

##### B. Investments

The Illinois Funds Money Market Fund is an external investment pool developed and implemented in 1975 by the Illinois General Assembly under the jurisdiction of the Illinois State Treasurer, who has regulatory oversight for the pool. The Fund is not registered with the SEC and has an affirmed AAAM Standard & Poor's credit quality rating. The fair value of the positions in the pool is the same as the value of the pool shares. At year end, the Village had \$2,269,264 in Illinois Funds earning a 0.045% return. Illinois Funds is not subject to custodial credit risk. The Fund issues a publicly available financial report. That report may be obtained by writing to the Office of the State Treasurer, Illinois Funds Administrative Office, 300 W. Jefferson Street, Springfield, Illinois 62702.

## VILLAGE OF HAINESVILLE, ILLINOIS

### Notes to the Financial Statements

April 30, 2011

#### 3. Capital Assets

A summary of changes in the Village's capital assets for the period May 1, 2010 through April 30, 2011 follows. Total depreciation expense for the year was \$176,163 for governmental activities and \$151,647 for business-type activities.

	Beginning Balance	Additions	Reductions	Ending Balance
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital Assets Not Being Depreciated				
Land	\$ 99,000			99,000
Capital Assets Being Depreciated				
Buildings and Building Improvements	994,936			994,936
Land Improvements	194,025			194,025
Office Furniture and Equipment	193,712			193,712
Police Equipment	90,535		65,721	24,814
Other Assets	34,021			34,021
Infrastructure	2,430,436			2,430,436
Total Capital Assets Being Depreciated	3,937,665	-	65,721	3,871,944
Less Accumulated Depreciation	1,194,895	176,163	42,567	1,328,491
Total Capital Assets Being Depreciated, Net	2,742,770	(176,163)	23,154	2,543,453
<b>GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET</b>	<b>\$ 2,841,770</b>	<b>(176,163)</b>	<b>23,154</b>	<b>2,642,453</b>

Depreciation expense for the Village's Governmental Activities was charged to governmental functions as follows:

General Government	\$ 49,028
Public Safety	20,702
Public Works	106,433
	<u>\$ 176,163</u>

# VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2011

## 3. Capital Assets (Cont.)

	Beginning Balance	Additions	Reductions	Ending Balance
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital Assets Not Being Depreciated				
Land	\$ 3,998,939			3,998,939
Capital Assets Being Depreciated				
Building		824,000		824,000
Water and Sewer System	6,329,798			6,329,798
Storm System	2,035,464	164,364		2,199,828
Other Assets	163,926	36,224		200,150
Total Capital Assets Being Depreciated	8,529,188	1,024,588	-	9,553,776
Less Accumulated Depreciation	1,317,551	151,647		1,469,198
Total Capital Assets Being Depreciated, Net	7,211,637	872,941	-	8,084,578
<b>BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET</b>	<b>\$ 11,210,576</b>	<b>872,941</b>	<b>-</b>	<b>12,083,517</b>

## 4. Long-Term Debt

### *Notes Payable - Bank*

\$600,000 Installment note payable to First Midwest Bank for the purchase of a building, dated January 12, 2011, due in monthly installments of \$6,449 including interest at 5.25%, matures January 1, 2016 with a one-time balloon payment of \$343,850, secured by real estate.

### *Capital Lease*

A tractor was purchased with a four year lease in August 2010. The terms of the lease require four annual payments of \$10,156.33. At the end of the lease there is a purchase option of \$1. The terms of the lease require the transaction to be recorded as a capital lease, thus recognizing the assets as owned and a liability set up for the future payments due.

Long-term debt activity for the year ended April 30, 2011 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes Payable - Bank	\$ 600,000		16,472	583,528	47,386
Compensated Absences	\$ 12,981		12,530	451	451
Capital Lease	\$ 36,224		8,436	27,788	8,836



## VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2011

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### 4. Long-Term Debt (Cont.)

#### *Debt Service Requirements to Maturity*

Year Ending April 30	Note Payable	
	Principal	Interest
2012	\$ 47,386	30,005
2013	50,052	27,339
2014	52,782	24,609
2015	55,661	21,730
2016	377,647	12,893
	<u>\$ 583,528</u>	<u>116,576</u>

  

Year Ending April 30	Capital Lease	
	Principal	Interest
2012	\$ 8,836	1,320
2013	9,256	900
2014	9,696	461
	<u>\$ 27,788</u>	<u>2,681</u>

### 5. Risk Management

The Village is currently participating in the Risk Management Association (IMLRMA), a public entity risk pool managed by the Illinois Municipal League. The Village pays an annual premium to IMLRMA for workers compensation insurance, and for all common liability and property coverage. Premiums have been displayed as expenditures in appropriate funds.

Financial information of IMLRMA may be obtained from its administration office:

I.M.L./Risk Management  
500 East Capital Avenue  
P.O. Box 5180  
Springfield, IL 62705

### 6. Motor Fuel Tax Allotment

Under current procedures, the allotments of the Village are being received from the State of Illinois each month. These allotments, however, may be expended only for specific projects that have been approved by the Department of Transportation, State of Illinois. Accordingly, the fund balance of the motor fuel tax fund is reported as Reserved for Maintenance of Roadways.

## VILLAGE OF HAINESVILLE, ILLINOIS

### Notes to the Financial Statements

April 30, 2011

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#### 7. Economic Development Agreement

In 2003, the Village entered into an agreement with a developer that calls for the Village to remit back to a retail establishment 50% of the sales tax receipts collected by the establishment. The purpose of this agreement is to reimburse the establishment for municipal improvements made by the developer to the property. The agreement will terminate upon payment of the sum of \$300,000 or 10 years, whichever event shall occur first. Semi-annual payments commenced on the date the establishment opened for business. Payments to date total \$172,311, including \$35,463 in the current year.

#### 8. Intergovernmental Agreements

The Village has entered into an agreement with School District 46. It has agreed to abate and waive fees and charges associated with providing water service to the elementary school for \$170,000. As of the fiscal year end, the School District had a remaining credit balance of \$51,589.

#### 9. Defined Benefit Pension Plan

##### Illinois Municipal Retirement

##### *Plan Description*

The Village's defined benefit pension plan for Regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Village's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org), or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

##### *Funding Policy*

As set by statute, the Village's plan members are required to contribute 4.50% of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2010 was 9.23% of annual covered payroll. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

## VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2011

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### 9. Defined Benefit Pension Plan (Cont.)

#### Illinois Municipal Retirement (Cont.)

##### *Annual Pension Cost*

For 2010, the Village's annual pension cost of \$36,548 for the Regular plan was equal to the Village's required and actual contributions.

##### TREND INFORMATION

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2010	\$ 36,548	100%	0
12/31/2009	43,496	100%	0
12/31/2008	15,050	100%	0

The required contribution for 2010 was determined as part of the December 31, 2008 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2008 included (a) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the December 31, 2008 valuation was 29 years.

##### *Funded Status and Funding Progress*

As of December 31, 2010, the most recent actuarial valuation date, the plan was 74.22% funded. The actuarial accrued liability for benefits was \$192,954 and the actuarial value of assets was \$143,214, resulting in an underfunded actuarial accrued liability (UAAL) of \$49,740. The covered payroll (annual payroll of active employees covered by the plan) was \$395,966 and the ratio of UAAL to the covered payroll was 13%. In conjunction with the December 2010 actuarial valuation, the market value of the investments was determined using techniques that spread the effect of short-term volatility in the market value of investments over a five year period with a 20% corridor between the actuarial and market value of assets. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

The schedule of funding progress, presented as Required Supplementary Information following the Notes to the Financial Statements on page 39, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

## VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2011

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### 10. Interfund Transactions

Due from/to other funds as of April 30, 2011 were as follows:

Receivable Fund	Payable Fund	Amount
Police Protection Fund	General Fund	<u>\$ 122,846</u>

The remaining balance in the Police Protection Fund will be transferred to the General Fund in fiscal year 2012 to fund the contract with the Village of Grayslake for police services.

Interfund transfers during the year ended April 30, 2011 consisted of the following:

Receiving Fund	Transferring Fund	Amount
Public Works Fund	General Fund	<u>\$ 141,200</u>

This transfer was made in connection with the public works building acquisition.

### 11. Commitments and Contingencies

Village of Hainesville entered into a contract with the Village of Grayslake police in July 2010. Grayslake shall provide all police, law enforcement and public safety related services to Hainesville. Hainesville agrees to pay Grayslake an annual fee for police services through July 2017. Future annual minimum payments are as follows as of April 30, 2011:

Year	Amount
2012	\$ 626,248
2013	661,549
2014	698,729
2015	737,691
2016	770,417
2017	<u>129,276</u>
	<u>\$ 3,623,910</u>

Current year expense was \$515,295 for the year ended April 30, 2011.

### 12. Accounting Pronouncements

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

Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, will be effective for the Village beginning with its year ending April 30, 2011. This Statement was issued to enhance the usefulness of fund balance information by providing clearer fund balance classifications and by clarifying the existing fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds.

Management has not currently determined what impact, if any, this Statement may have on its financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**(Unaudited)**

**VILLAGE OF HAINESVILLE, ILLINOIS**

Required Supplementary Information

Illinois Municipal Retirement Fund

April 30, 2011

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*Schedule of Funding Progress*

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
12/31/2010	\$ 143,214	192,954	49,740	74.22 %	395,966	12.56 %
12/31/2009	91,806	145,727	53,921	63.00	453,085	11.90
12/31/2008	23,991	82,201	58,210	29.19	156,767	37.13

*Note:*

The Village did not previously participate in the Illinois Municipal Retirement Fund.

## **INDIVIDUAL FUND FINANCIAL SCHEDULES**

## **GOVERNMENTAL FUND TYPES**



**VILLAGE OF HAINESVILLE, ILLINOIS**

## General Fund

Schedule of Revenues - Budget and Actual  
Year Ended April 30, 2011

	Final Budget	Actual	Variance from Final Budget Over (Under)
Taxes			
Property	\$ 143,690	136,190	(7,500)
Utility	80,000	110,737	30,737
Franchise	191,923	209,594	17,671
Total Taxes	415,613	456,521	40,908
Intergovernmental			
Income Tax	265,188	266,521	1,333
Sales Tax	187,884	229,924	42,040
Personal Property Replacement Tax	300	288	(12)
Total Intergovernmental	453,372	496,733	43,361
Fees, Licenses and Permits			
Other Licenses	12,740	15,775	3,035
Building Permits and Variances	10,500	39,039	28,539
Total Fees, Licenses and Permits	23,240	54,814	31,574
Interest Income		3,182	3,182
Miscellaneous			
Contributions	5,000	8,345	3,345
Miscellaneous	1,610	14,862	13,252
Total Miscellaneous	6,610	23,207	16,597
Total Revenues	\$ 898,835	1,034,457	135,622

# VILLAGE OF HAINESVILLE, ILLINOIS

## General Fund

### Schedule of Expenditures - Budget and Actual Year Ended April 30, 2011

	Final Budget	Actual	Variance from Final Budget Over (Under)
General Government			
Personnel			
Wages	\$ 156,760	166,488	9,728
Payroll Taxes	13,000	13,126	126
Personnel Benefits	5,400	5,400	
Retirement Benefits	9,400	10,703	1,303
Total Personnel	184,560	195,717	11,157
Contractual Services			
Maintenance	24,330	25,659	1,329
Professional Services	149,750	136,283	(13,467)
Insurance	19,000	22,269	3,269
Professional Development	12,270	4,581	(7,689)
Economic Incentive Agreement	35,000	35,463	463
Communication	7,787	6,631	(1,156)
Total Contractual Services	248,137	230,886	(17,251)
Commodities			
Office Supplies and Expenses	12,900	15,670	2,770
Computer Services and Supplies	11,003	7,514	(3,489)
Maintenance Supplies	610	238	(372)
Other	700	915	215
Total Commodities	25,213	24,337	(876)
Total Current Expenditures	457,910	450,940	(6,970)
Other			
Contingency		29,543	29,543
Capital Outlay			
Bike Path	23,000	1,464	(21,536)
Other	27,382	33,839	6,457
Total Capital Outlay	50,382	35,303	(15,079)
Total General Government	508,292	515,786	7,494
Public Safety			
Emergency Management Agency			
Contractual Services			
Communication		674	674
Commodities			
Office Supplies and Expenses		251	251
Total Emergency Management Agency	-	925	925

(Cont.)

**VILLAGE OF HAINESVILLE, ILLINOIS**

General Fund

Schedule of Expenditures - Budget and Actual (Cont.)  
Year Ended April 30, 2011

	Final Budget	Actual	Variance from Final Budget Over (Under)
Public Safety (Cont.)			
Police Protection			
Contractual Services			
Police Contract	560,000	515,295	(44,705)
Total Public Safety	560,000	516,220	(43,780)
Total Expenditures	\$ 1,068,292	1,032,006	(36,286)

# VILLAGE OF HAINESVILLE, ILLINOIS

## Police Protection Fund

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Year Ended April 30, 2011

	Final Budget	Actual	Variance from Final Budget Over (Under)
Revenues			
Taxes			
Property	\$ 491,002	489,774	(1,228)
Fines and Forfeitures	5,100	15,263	10,163
Total Revenues	496,102	505,037	8,935
Expenditures			
Public Safety			
Personnel			
Wages	126,500	108,667	(17,833)
Payroll Taxes	4,500	4,144	(356)
Personnel Benefits	3,000	2,700	(300)
Retirement Benefits	7,500	9,213	1,713
Total Personnel	141,500	124,724	(16,776)
Contractual Services			
Maintenance	1,700	180	(1,520)
Dispatching	77,000	68,529	(8,471)
Legal	4,675	6,550	1,875
Insurance	7,000		(7,000)
Miscellaneous	425	275	(150)
Professional Development	170	1,680	1,510
Communication	845	715	(130)
Total Contractual Services	91,815	77,929	(13,886)
Commodities			
Office Supplies and Expenses	1,545	148	(1,397)
Computer Services and Supplies	690	79	(611)
Vehicle Expense	4,000	3,727	(273)
Maintenance Supplies	635	43	(592)
Total Commodities	6,870	3,997	(2,873)
Total Expenditures	240,185	206,650	(33,535)
Net Change in Fund Balance	\$ 255,917	298,387	42,470
Fund Balance			
May 1		(175,541)	
April 30		122,846	

**NONMAJOR FUND**

**VILLAGE OF HAINESVILLE, ILLINOIS**

## Motor Fuel Tax Fund

Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2011

	Final Budget	Actual	Variance from Final Budget Over (Under)
Revenues			
Motor Fuel Tax	\$ 87,133	102,083	14,950
Interest Income	3,900	138	(3,762)
Total Revenues	91,033	102,221	11,188
Expenditures			
Capital Outlay			
Street Maintenance	78,000	67,204	(10,796)
Net Change in Fund Balance	\$ 13,033	35,017	21,984
Fund Balance			
May 1		258,391	
April 30		293,408	

**PROPRIETARY FUND TYPE**

## **ENTERPRISE FUNDS**



# VILLAGE OF HAINESVILLE, ILLINNOIS

## Public Works Funds

Combining Schedule of Revenues, Expenses,  
and Changes in Net Assets  
Year Ended April 30, 2011

	Streets & Sanitation	Water & Sewer	Total
Operating Revenues			
Charges for Services	\$ 164,349	712,596	876,945
Operating Expenses			
Personnel Service		114,790	114,790
Contractual Services	312,079	391,335	703,414
Commodities	16,657	83,246	99,903
Other	17,561	16,091	33,652
Capital Outlay	13,128	1,428	14,556
Operating Expenses before Depreciation	359,425	606,890	966,315
Depreciation		151,647	151,647
Total Operating Expenses	359,425	758,537	1,117,962
Operating Loss	(195,076)	(45,941)	(241,017)
Nonoperating Revenue (Expense)			
Road and Bridge Tax	7,595		7,595
Investment Income		479	479
Interest Expense and Executory Costs	(14,790)		(14,790)
Total Nonoperating Revenues (Expenses)	(7,195)	479	(6,716)
Loss before Transfer	(202,271)	(45,462)	(247,733)
Transfer In		141,200	141,200
Change in Net Assets	\$ (202,271)	95,738	(106,533)
Net Assets			
May 1			12,177,261
April 30			12,070,728

# **VILLAGE OF HAINESVILLE, ILLINOIS**

## **Public Works Fund - Streets & Sanitation**

### **Schedule of Revenues and Expenses - Budget and Actual Year Ended April 30, 2011**

	Final Budget	Actual	Variance from Final Budget Over (Under)
Operating Revenues			
Charges for Services			
Garbage Charges	\$ 157,950	159,188	1,238
Yard Waste Stickers	5,500	5,161	(339)
Total Operating Revenues	163,450	164,349	899
Operating Expenses			
Contractual Services			
Maintenance Services	129,100	166,324	37,224
Garbage Contract	145,000	145,755	755
Total Contractual Services	274,100	312,079	37,979
Commodities			
Miscellaneous Office Expenses	350	48	(302)
Street Lighting	7,200	8,363	1,163
Equipment Rental	1,000		(1,000)
Julie Locates and Messages	700	752	52
Yard Waste Stickers	7,000	3,322	(3,678)
Maintenance Supplies	4,500	2,782	(1,718)
Other	1,000	1,390	390
Total Commodities	21,750	16,657	(5,093)
Other			
Contingency		17,561	17,561
Capital Outlay			
Tree Planting	2,500	5,690	3,190
Landscape Beautification	6,300	7,438	1,138
Street Signs	200		(200)
Total Capital Outlay	9,000	13,128	4,128
Total Operating Expenses	304,850	359,425	54,575
Operating Loss	\$ (141,400)	(195,076)	(53,676)

# **VILLAGE OF HAINESVILLE, ILLINOIS**

## **Public Works Fund - Water & Sewer**

### **Schedule of Revenues and Expenses - Budget and Actual Year Ended April 30, 2011**

	Final Budget	Actual	Variance from Final Budget Over (Under)
Operating Revenues			
Charges for Services			
Water Sales	\$ 426,500	422,108	(4,392)
Sewer Charges	270,000	275,046	5,046
Miscellaneous Income	5,000	15,442	10,442
Total Operating Revenues	701,500	712,596	11,096
Operating Expenses Excluding Depreciation			
Personnel			
Wages	94,050	96,047	1,997
Payroll Taxes	7,400	7,762	362
Personnel Benefits	3,600	3,527	(73)
Retirement Benefits	7,400	7,454	54
Total Personnel	112,450	114,790	2,340
Contractual Services			
Accounting Services		15,085	15,085
Engineering Services			
Legal Services	500	3,900	3,400
Insurance	5,250	7,961	2,711
Water and Lift Station Services	46,400	47,462	1,062
Maintenance Services	34,200	34,582	382
Water Disposal	247,000	249,978	2,978
Electric Services	27,000	28,597	1,597
Professional Development	3,350	3,770	420
Total Contractual Services	363,700	391,335	27,635
Commodities			
Maintenance Supplies	5,150	4,387	(763)
Miscellaneous Office Expenses	5,300	5,195	(105)
Communication	6,076	6,601	525
Vehicle Expense	2,900	6,769	3,869
Office Supplies	7,575	5,165	(2,410)
Computer Software and Support	3,820	3,994	174
Rental	11,000	8,100	(2,900)
Other	2,700	43,035	40,335
Total Commodities	44,521	83,246	38,725
Total Current Expenses	520,671	589,371	68,700
Other			
Contingency		16,091	16,091
Capital Outlay			
Water Meters	89,000	1,428	(87,572)
Operating Expenses before Depreciation	609,671	606,890	(2,781)
Depreciation		151,647	(151,647)
Total Operating Expenses	609,671	758,537	148,866
Operating Income (Loss)	\$ 91,829	(45,941)	(137,770)

**SUPPLEMENTAL INFORMATION**  
**(Unaudited)**

**VILLAGE OF HAINESVILLE, ILLINOIS**

Comparative Tax Data

Last Ten Levy Years

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(See Following Page)

# **VILLAGE OF HAINESVILLE, ILLINOIS**

## Comparative Tax Data

### Last Ten Levy Years

Tax Levy Year	2010	2009	2008	2007	2006
Assessed Valuation	\$85,623,172	89,598,982	92,261,700	87,855,893	84,282,626
Tax Rates					
Corporate	0.132	0.152	0.143	0.140	0.150
Police Protection	0.555	0.548	0.534	0.541	0.541
SSA					
	0.687	0.700	0.677	0.681	0.691
Tax Extension					
Corporate	\$ 113,023	136,190	131,934	122,998	126,424
Police Protection	475,209	491,002	492,677	475,300	455,969
SSA			22,120	22,120	5,560
	\$ 588,231	627,193	646,732	620,418	587,953
Collections		625,960	645,127	618,972	582,023
Collection Rate		99.80%	99.75%	99.77%	98.99%

2005	2004	2003	2002	2001
81,661,713	71,863,369	65,936,281	52,117,360	43,584,612
0.137 0.548	0.113 0.501	0.112 0.356	0.100 0.416	0.092
0.685	0.614	0.468	0.516	0.092
111,877 447,506 5,530	81,206 360,035 5,460	73,849 234,733 5,030	52,117 216,808 4,140	40,098
564,913	446,701	313,612	273,065	40,098
537,806	442,226	312,785	273,081	40,395
95.20%	99.00%	99.74%	100.01%	100.74%