

**Village of Hainesville,  
Illinois**

**Annual Financial Report**

**For the Year Ended  
April 30, 2012**

**Wolf & Company LLP**  
Certified Public Accountants

# VILLAGE OF HAINESVILLE, ILLINOIS

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**VILLAGE OF HAINESVILLE, ILLINOIS**

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**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, 2012, 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, 2012, 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.

As discussed in Note 1.G. to the financial statements, the Village adopted Governmental Accounting Standards Board Statement No. 54, which resulted in changes to reporting fund balances in governmental fund types, during the year ended April 30, 2012.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension related information on page 40 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Hainesville, Illinois' financial statements as a whole. The individual nonmajor fund financial statements, and the General and Enterprise Fund schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The individual nonmajor fund financial statements and the General and Enterprise Fund schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information

has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The Supplemental Information on pages 49 and 50 has 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.

*Wolf & Company LLP*

Oakbrook, Illinois  
July 11, 2012

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

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

**April 30, 2012**

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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 \$17,899,050 (*net assets*). Of this amount, \$3,476,507 (*unrestricted net assets*) may be used to meet the Village's ongoing obligations to citizens and creditors.
- The Village's total net assets increased by \$340,352. 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 \$307,932.
- As of the close of the current fiscal year, the Village's governmental funds reported combined fund balances of \$3,083,124. Of this amount, \$2,764,068 is available for spending at the Village's discretion (unassigned fund balance).
- At the end of the current fiscal year, the fund balance of the General Corporate Fund was \$2,764,068 or 218% of total General Fund expenditures during the current year.
- The Village's total debt increased by \$32,692 during the current fiscal year. A loan with the IEPA was approved to fund a watermain extension project. The prior year debt of \$611,317 was paid down to \$555,059.

**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 13 to 15) 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 13) 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 14 and 15) 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 16 to 21) 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 22 to 24) 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 17 and 19). 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, 2012 and 2011  
(in thousands)**

	Governmental Activities		Business-type Activities		Totals	
	2012	2011	2012	2011	2012	2011
<b>Assets</b>						
Current and Other Assets	\$ 3,768.9	3,467.9	866.4	744.1	4,635.3	4,212.0
Capital Assets	2,637.2	2,642.5	12,110.3	12,083.5	14,747.5	14,726.0
<b>Total Assets</b>	<b>6,406.1</b>	<b>6,110.4</b>	<b>12,976.7</b>	<b>12,827.6</b>	<b>19,382.8</b>	<b>18,938.0</b>
<b>Liabilities</b>						
Current Liabilities	650.6	622.4	197.9	150.2	848.5	772.6
Other Liabilities			635.3	606.7	635.3	606.7
<b>Total Liabilities</b>	<b>650.6</b>	<b>622.4</b>	<b>833.2</b>	<b>756.9</b>	<b>1,483.8</b>	<b>1,379.3</b>
<b>Net Assets</b>						
Invested in Capital Assets, Net of Debt	2,637.2	2,642.5	11,466.3	11,472.2	14,103.5	14,114.7
Restricted for Maintenance of Roadways	319.1	293.4			319.1	293.4
Unrestricted	2,799.2	2,552.1	677.2	598.5	3,476.4	3,150.6
<b>Total Net Assets</b>	<b>\$ 5,755.5</b>	<b>5,488.0</b>	<b>12,143.5</b>	<b>12,070.7</b>	<b>17,899.0</b>	<b>17,558.7</b>

For more detailed information, see the Statement of Net Assets (page 13).

The largest portion of the Village's net assets (79%) 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 (20%) 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%) 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 \$340,352 increase in combined net assets (which is the Village's bottom line) was the result of the governmental activities net assets increasing by \$267,598 and the business-type activities net assets increasing by \$72,754. The General Fund balance increased by \$366,481, mainly due to the consolidation of the Police Protection Fund into the General Fund. The police department was disbanded in the prior fiscal year and this transfer was the final close out of the Fund. The Motor Fuel Tax Fund increase was \$25,648 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, \$2,799,271, 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	
	2012	2011	2012	2011	2012	2011
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ 32.1	93.3	1,083.6	876.9	1,115.7	970.2
Operating Grants and Contributions	10.6		4.7	7.6	15.3	7.6
General Revenues:						
Property Taxes	588.9	626.0			588.9	626.0
Utility Taxes	106.6	111.5			106.6	111.5
Franchise Taxes	118.4	209.6			118.4	209.6
Income Taxes	304.8	266.5			304.8	266.5
Sales Taxes	308.7	239.7			308.7	239.7
Other Taxes	103.4	102.4			103.4	102.4
Investment Income	1.6	3.3	0.1	0.5	1.7	3.8
Transfers	(8.9)	(141.2)	8.9	141.2		
	<u>1,566.2</u>	<u>1,511.1</u>	<u>1,097.3</u>	<u>1,026.2</u>	<u>2,663.5</u>	<u>2,537.3</u>
<b>Expenses</b>						
General Government	509.6	647.0			509.6	647.0
Public Safety	685.4	743.6			685.4	743.6
Public Works	103.6	106.4			103.6	106.4
Water & Sewer			740.5	758.5	740.5	758.5
Streets & Sanitation			284.0	374.2	284.0	374.2
	<u>1,298.6</u>	<u>1,497.0</u>	<u>1,024.5</u>	<u>1,132.7</u>	<u>2,323.1</u>	<u>2,629.7</u>
Change in Net Assets	267.6	14.1	72.8	(106.5)	340.4	(92.4)
Net Assets, Beginning	<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>
Net Assets, Ending	<u>\$ 5,755.6</u>	<u>5,488.0</u>	<u>12,143.5</u>	<u>12,070.7</u>	<u>17,899.1</u>	<u>17,558.7</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 expenditure 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, 2012, revenues from the governmental activities totaled \$1,575,065. Property tax revenues are the Village's largest revenue source, coming in at \$588,872 with state income tax of \$304,760 and sales and use tax receipts of \$308,680. Franchise and utility taxes are \$118,392 and \$106,604, respectively.

**Expenses:**

For the fiscal year ended April 30, 2012, expenses for governmental activities totaled \$1,298,564.

*Business-type Activities*

**Revenue:**

For the fiscal year ended April 30, 2012, revenues from the business-type activities totaled \$1,088,411.

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

**Expenses:**

For the fiscal year ended April 30, 2012, expenses for business-type activities totaled \$1,024,560, including depreciation and amortization of \$168,502.

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, 2012, the governmental funds (as presented on the balance sheet on page 15) reported a combined fund balance of \$3,075,653.

**General Fund Budgetary Highlights**

The 2012 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.

	Original/Final Budget	Actual
Revenues		
Taxes	\$ 782.5	810.3
Intergovernmental	512.1	613.4
Other	38.7	44.3
Total	<u>1,333.3</u>	<u>1,468.0</u>
Expenditures		
General Government	589.2	583.5
Public Safety	661.9	685.4
Total	<u>1,251.1</u>	<u>1,268.9</u>
Excess of Revenues over Expenditures	\$ 82.2	199.1
Transfers, Net		<u>167.4</u>
Net Change in Fund Balance	<u>82.2</u>	<u>366.5</u>

The General Fund's actual revenues were over budget by \$134,587 (10%) and actual expenditures were \$17,843 (1%) more than the budgeted amount. Intergovernmental revenues received were over budget by \$101,230 (20%); property taxes were over by \$1,372 (<1%). The primary expenditure budget variances were in General Government contractual services (\$28,645 over budget) and Capital Outlays related to the construction of a bike trail.

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

**Capital Assets**

At the end of Fiscal Year 2012, the Village had a combined total of capital assets of \$14,718.4 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, 2012  
(in thousands)**

	Governmental Activities	Business-type Activities	Total
Land	\$ 99.0	3,998.9	4,097.9
Construction in Progress		97.6	97.6
Buildings and Improvements	728.6	802.7	1,531.3
Land Improvements	286.8		286.8
Office Furniture and Equipment	38.2		38.2
Police Equipment	2.4		2.4
Other Assets	35.5	111.4	146.9
Infrastructure	1,446.7		1,446.7
Water and Sewer System		5,200.0	5,200.0
Storm System		1,899.7	1,899.7
	<u>\$ 2,637.2</u>	<u>12,110.3</u>	<u>14,747.5</u>

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

	Governmental Activities	Business-type Activities	Total
Beginning Balance, net	\$ 2,642.5	12,083.5	14,726.0
Additions			
Non-depreciable Assets		97.6	97.6
Depreciable Assets	133.5	97.7	231.2
Disposals			
Asset	(3.5)		(3.5)
Accumulated depreciation	3.5		3.5
Depreciation Expense	(138.8)	(168.5)	(307.3)
Ending Balance	<u>\$ 2,637.2</u>	<u>12,110.3</u>	<u>14,747.5</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 \$644,008 as of April 30, 2012. Long-term debt is comprised of a bank note payable, an IEPA loan and a capital lease obligation. During the year, \$56,257 of long-term debt was paid down, \$88,949 in an IEPA Loan was issued.

The bank loan is payable in 59 regular payments and one irregular payment. Revenues from Cell Tower Franchise Agreements are funding 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**

The Village has seen a slight improvement to the local economy. The State Income Taxes and Sales Taxes have increased this fiscal year thus bringing additional revenue to the Village. The Village Board chose to reduce the Tax Levy to help reduce the financial constraints many of the residents and businesses have experienced. While receiving less Real Estate Taxes, the Village has continued to control spending in all areas of operations of the Village while maintaining the services to the residents. The receipt of the State Income Taxes are still being delayed to an average of three (3) months. The Village is continuing on an upward swing in State Taxes and is looking forward for continued growth 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, 2012

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Investments	\$ 2,916,142	648,992	3,565,134
Receivables			
Property Taxes	569,207		569,207
Other Taxes	268,167		268,167
Customer Accounts	15,413	217,458	232,871
Total Current Assets	<u>3,768,929</u>	<u>866,450</u>	<u>4,635,379</u>
<b>Capital Assets</b>			
Land and Construction in Progress	99,000	4,096,574	4,195,574
Other Capital Assets, Net of Depreciation	2,538,241	8,013,680	10,551,921
Total Capital Assets	<u>2,637,241</u>	<u>12,110,254</u>	<u>14,747,495</u>
<b>Total Assets</b>	<u>6,406,170</u>	<u>12,976,704</u>	<u>19,382,874</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable and Accrued Expenses	51,870	137,766	189,636
Deferred Revenue	24,335		24,335
Deferred Revenue - Property Taxes	569,207		569,207
Compensated Absences Payable	5,190	831	6,021
Current Portion of Long-Term Debt			
Note Payable - Bank		50,052	50,052
Capital Lease		9,256	9,256
Total Current Liabilities	<u>650,602</u>	<u>197,905</u>	<u>848,507</u>
<b>Noncurrent Liabilities</b>			
Note Payable - Bank		486,055	486,055
IEPA Loan		88,949	88,949
Capital Lease		9,696	9,696
Special Customer Credit		50,617	50,617
Total Noncurrent Liabilities	<u>-</u>	<u>635,317</u>	<u>635,317</u>
<b>Total Liabilities</b>	<u>650,602</u>	<u>833,222</u>	<u>1,483,824</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	2,637,241	11,466,246	14,103,487
Restricted for Maintenance of Roadways	319,056		319,056
Unrestricted	2,799,271	677,236	3,476,507
<b>Total Net Assets</b>	<u>\$ 5,755,568</u>	<u>12,143,482</u>	<u>17,899,050</u>

See accompanying Notes to the Financial Statements.

**VILLAGE OF HAINESVILLE, ILLINOIS**

Statement of Activities  
For the Year Ended April 30, 2012

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
<b>Governmental Activities</b>			
General Government	\$ 509,660	32,133	10,644
Public Safety	685,420		
Public Works	103,484		
<b>Total Governmental Activities</b>	<b>1,298,564</b>	<b>32,133</b>	<b>10,644</b>
<b>Business-Type Activities</b>			
Water & Sewer	740,533	914,759	
Streets & Sanitation	284,027	168,858	4,686
<b>Total Business-Type Activities</b>	<b>1,024,560</b>	<b>1,083,617</b>	<b>4,686</b>
<b>Total</b>	<b>\$ 2,323,124</b>	<b>1,115,750</b>	<b>15,330</b>

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
(466,883)		(466,883)
(685,420)		(685,420)
(103,484)		(103,484)
(1,255,787)	-	(1,255,787)
	174,226	174,226
	(110,483)	(110,483)
-	63,743	63,743
(1,255,787)	63,743	(1,192,044)
588,872		588,872
106,604		106,604
118,392		118,392
304,760		304,760
308,680		308,680
103,160		103,160
260		260
1,560	108	1,668
(8,903)	8,903	
1,523,385	9,011	1,532,396
267,598	72,754	340,352
5,487,970	12,070,728	17,558,698
5,755,568	12,143,482	17,899,050

**VILLAGE OF HAINESVILLE, ILLINOIS**

Governmental Funds

Balance Sheet  
April 30, 2012

	General Fund	Police Protection Fund	Motor Fuel Tax Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 2,604,069		312,073	2,916,142
Receivables				
Property Taxes	569,207			569,207
Other Taxes	261,184		6,983	268,167
Permits	15,413			15,413
<b>Total Assets</b>	<b>\$ 3,449,873</b>	-	<b>319,056</b>	<b>3,768,929</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 51,870			51,870
Deferred Revenue	24,335			24,335
Deferred Property Tax Revenue	569,207			569,207
Deferred Other Taxes	40,393			40,393
<b>Total Liabilities</b>	<b>685,805</b>	-	-	<b>685,805</b>
<b>Fund Balances</b>				
Restricted for Maintenance of Roadways			319,056	319,056
Unassigned	2,764,068			2,764,068
<b>Total Fund Balances</b>	<b>2,764,068</b>	-	<b>319,056</b>	<b>3,083,124</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,449,873</b>	-	<b>319,056</b>	<b>3,768,929</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, 2012

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Total Fund Balances - Governmental Funds	\$ 3,083,124
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.	2,637,241
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.	40,393
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>(5,190)</u>
Net Assets of Governmental Activities	<u><u>\$ 5,755,568</u></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, 2012

	General Fund	Police Protection Fund	Motor Fuel Tax Fund	Total Governmental Funds
<b>Revenues</b>				
Taxes	\$ 810,268		103,160	913,428
Intergovernmental	613,353			613,353
Fines and Forfeitures				
Fees, Licenses and Permits	28,970			28,970
Investment Income	1,527		33	1,560
Miscellaneous	13,807			13,807
<b>Total Revenues</b>	<b>1,467,925</b>	<b>-</b>	<b>103,193</b>	<b>1,571,118</b>
<b>Expenditures</b>				
Current				
General Government	416,170			416,170
Public Safety	685,420			685,420
<b>Total Current Expenditures</b>	<b>1,101,590</b>	<b>-</b>	<b>-</b>	<b>1,101,590</b>
Capital Outlay	167,307		24,035	191,342
<b>Total Expenditures</b>	<b>1,268,897</b>	<b>-</b>	<b>24,035</b>	<b>1,292,932</b>
<b>Excess of Revenues over Expenditures</b>	<b>199,028</b>	<b>-</b>	<b>79,158</b>	<b>278,186</b>
<b>Other Financing Sources (Uses)</b>				
Transfer In	176,356			176,356
Transfers Out	(8,903)	(122,846)	(53,510)	(185,259)
<b>Total Other Financing Sources (Uses)</b>	<b>167,453</b>	<b>(122,846)</b>	<b>(53,510)</b>	<b>(8,903)</b>
<b>Net Change in Fund Balance</b>	<b>366,481</b>	<b>(122,846)</b>	<b>25,648</b>	<b>269,283</b>
<b>Fund Balances</b>				
May 1	2,397,587	122,846	293,408	2,813,841
April 30	\$ 2,764,068	-	319,056	3,083,124

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, 2012

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Net Change in Fund Balances - Total Governmental Funds	\$ 269,283
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures; however, they are capitalized in the Statement of Net Assets.	134,218
Depreciation is not considered an expenditure in the governmental funds.	(139,430)
Tax revenues in the Statement of Activities that do not provide current financial resources are reported as deferred revenue in the governmental funds.	3,947
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.	
Increase in compensated absences	<u>(420)</u>
Change in Net Assets of Governmental Activities	<u>\$ 267,598</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, 2012

	Original and Final Budget	Actual	Variance from Final Budget Over (Under)
<b>Revenues</b>			
Taxes	\$ 782,500	810,268	27,768
Intergovernmental	512,123	613,353	101,230
Fees, Licenses and Permits	29,780	28,970	(810)
Interest Income	2,500	1,527	(973)
Miscellaneous	6,435	13,807	7,372
<b>Total Revenues</b>	<b>1,333,338</b>	<b>1,467,925</b>	<b>134,587</b>
<b>Expenditures</b>			
<b>General Government</b>			
Personnel	203,036	186,772	(16,264)
Contractual Services	176,747	205,392	28,645
Commodities	24,869	22,326	(2,543)
Other	66,667	1,680	(64,987)
Capital Outlay	117,837	167,307	49,470
<b>Total General Government Division</b>	<b>589,156</b>	<b>583,477</b>	<b>(5,679)</b>
<b>Public Safety</b>			
<b>Emergency Management Agency</b>			
Commodities	950	70	(880)
Contractual Services	700		(700)
	1,650	70	(1,580)
<b>Police Protection</b>			
Contractual Services	660,248	685,350	25,102
<b>Total Public Safety</b>	<b>661,898</b>	<b>685,420</b>	<b>23,522</b>
<b>Total Expenditures</b>	<b>1,251,054</b>	<b>1,268,897</b>	<b>17,843</b>
<b>Excess of Revenues over Deficiencies</b>	<b>82,284</b>	<b>199,028</b>	<b>116,744</b>
<b>Other Financing Sources (Uses)</b>			
Transfers In		176,356	176,356
Transfer Out		(8,903)	(8,903)
<b>Total Other Financing Sources (Uses)</b>		<b>167,453</b>	<b>167,453</b>
<b>Net Change in Fund Balance</b>	<b>\$ 82,284</b>	<b>366,481</b>	<b>284,197</b>
<b>Fund Balance</b>			
May 1		2,397,587	
April 30		2,764,068	

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, 2012

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	Original and Final Budget	Actual	Variance from Final Budget Over (Under)
Transfer Out	<u>\$</u>	(122,846)	<u>(122,846)</u>
Fund Balance May 1		<u>122,846</u>	
April 30		<u>-</u>	

See accompanying Notes to the Financial Statements.

**VILLAGE OF HAINESVILLE, ILLINOIS**

Proprietary Fund - Public Works Fund

Statement of Net Assets  
April 30, 2012

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Assets

Current Assets

Cash and Cash Equivalents	\$ 648,992
Accounts Receivable	217,458
Total Current Assets	<u>866,450</u>

Noncurrent Assets

Land and Construction in Progress	4,096,574
Capital Assets at Cost	9,651,380
Less Accumulated Depreciation	(1,637,700)
Total Noncurrent Assets	<u>12,110,254</u>

Total Assets	<u>12,976,704</u>
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Liabilities

Current Liabilities

Accounts Payable	135,866
Water Deposits	1,900
Compensated Absences	831
Current Portion of Long-Term Debt	
Note Payable - Bank	50,052
Capital Lease	9,256
Total Current Liabilities	<u>197,905</u>

Noncurrent Liabilities

Note Payable - Bank	486,055
IEPA Loan	88,949
Capital Lease	9,696
Special Customer Credit	50,617
Total Noncurrent Liabilities	<u>635,317</u>

Total Liabilities	<u>833,222</u>
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Net Assets

Invested in Capital Assets	11,466,246
Unrestricted	<u>677,236</u>

Total Net Assets	<u>\$ 12,143,482</u>
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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, 2012

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Operating Revenues	
Charges for Services	<u>\$ 1,083,617</u>
Operating Expenses	
Operations	824,767
Depreciation	<u>168,502</u>
Total Operating Expenses	<u>993,269</u>
Operating Income	<u>90,348</u>
Nonoperating Revenue (Expense)	
Road and Bridge Tax	4,686
Investment Income	108
Interest Expense and Executory Costs	<u>(31,291)</u>
Total Nonoperating Revenues (Expenses)	<u>(26,497)</u>
Income before Transfer	63,851
Transfer In	<u>8,903</u>
Change in Net Assets	72,754
Net Assets	
Beginning of Year	<u>12,070,728</u>
End of Year	<u><u>\$ 12,143,482</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, 2012

Cash Flows from Operating Activities	
Receipts from Customers	\$ 984,591
Payments to Suppliers	(656,247)
Payments to Employees	(123,881)
	<u>204,463</u>
Cash Flows from Investing Activities	
Earnings on Investments	<u>108</u>
Cash Flows from Capital and Related Financing Activities	
Proceeds from Note Payable	88,949
Principal Paid on Long-Term Debt	(47,421)
Capital Lease Payment	(8,836)
Interest Expense and Executory Costs	(31,291)
Acquisition of Capital Assets	(195,239)
	<u>(193,838)</u>
Cash Flows from Non-Capital and Related Financing Activities	
Transfers In	8,903
Receipts from Taxes	4,686
	<u>13,589</u>
Net Increase in Cash and Cash Equivalents	24,322
Cash and Cash Equivalents	
May 1	<u>624,670</u>
April 30	<u>\$ 648,992</u>
Reconciliation of Operating Income to Net Cash	
Provided by Operating Activities	
Operating Income	\$ 90,348
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities	
Depreciation	168,502
Changes in Assets and Liabilities	
Increase in Accounts Receivable	(98,054)
Increase in Current Liabilities	44,639
Decrease in Special Customer Credit	(972)
	<u>\$ 204,463</u>

See accompanying Notes to the Financial Statements.

## VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2012

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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. 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 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

## VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2012

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

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

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

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.

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.

VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2012

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- 1. Summary of Significant Accounting Policies (Cont.)
  - C. Measurement Focus and Basis of Accounting (Cont.)

*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.

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.

**VILLAGE OF HAINESVILLE, ILLINOIS**

Notes to the Financial Statements  
April 30, 2012

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- 1. Summary of Significant Accounting Policies (Cont.)
  - C. Measurement Focus and Basis of Accounting (Cont.)

*Fund Financial Statements (Cont.)*

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 was 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, and the Police Protection Fund was closed with a transfer to 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.

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. This Fund includes streets and sanitation and water and sewer services to residents.

**VILLAGE OF HAINESVILLE, ILLINOIS**

Notes to the Financial Statements  
April 30, 2012

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1. Summary of Significant Accounting Policies (Cont.)

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, 2012, 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.

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).

## VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2012

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

#### F. Cash and Investments (Cont.)

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.

#### G. Net Assets/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.

## VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2012

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

#### G. Net Assets/Fund Equity (Cont.)

- 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.

#### Fund Equity

Beginning with fiscal year 2012, the Village implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance – amounts that are not in nonspendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the Village itself, using its highest level of decision-making authority (i.e., Village Board of Trustees). To be reported as committed, amounts cannot be used for any other purpose unless the Village takes the same highest level action to remove or change the constraint.
- Assigned fund balance – amounts the Village intends to use for a specific purpose. Intent can be expressed by the Village Board of Trustees or by an official or body to which the Village Board of Trustees delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

The Village will use the most restricted funds before the less restricted funds. Nonspendable funds would be spent first as they become spendable, followed by restricted fund balances, then by committed resources, and then assigned resources, as appropriate opportunities arise.

#### 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.

**VILLAGE OF HAINESVILLE, ILLINOIS**

Notes to the Financial Statements  
April 30, 2012

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1. Summary of Significant Accounting Policies (Cont.)

H. Long-Term Liabilities (Cont.)

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.

I. Property Taxes

Property taxes for 2011 attach as an enforceable lien on January 1, 2011, 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, 2012 and September 1, 2012. 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 2011 tax levy is used to fund operations of the 2012-2013 fiscal year, the revenue has been deferred at April 30, 2012.

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.

## VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2012

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

#### L. Budgetary Data (Cont.)

- (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.

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

Actual expenditures in the General Fund exceeded budget by \$17,843 for the fiscal year April 30, 2012. There were no funds that had a deficit in the fund balance at April 30, 2012.

### 2. Cash and Investments

#### A. Cash

The carrying amount of cash was \$1,001,708 at April 30, 2012, while the bank balances were \$1,022,704. 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 \$2,563,426 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, 2012

3. Capital Assets

A summary of changes in the Village's capital assets for the period May 1, 2011 through April 30, 2012 follows. Total depreciation expense for the year was \$139,430 for governmental activities and \$168,502 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	134,218		328,243
Office Furniture and Equipment	140,063			140,063
Police Equipment	24,814		3,500	21,314
Other Assets	87,670			87,670
Infrastructure	2,430,436			2,430,436
Total Capital Assets Being Depreciated	3,871,944	134,218	3,500	4,002,662
Less Accumulated Depreciation	1,328,491	139,430	3,500	1,464,421
Total Capital Assets Being Depreciated, Net	2,543,453	(5,212)	-	2,538,241
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 2,642,453</b>	<b>(5,212)</b>	<b>-</b>	<b>2,637,241</b>

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

General Government	\$ 35,946
Public Works	<u>103,484</u>
	<u>\$ 139,430</u>

**VILLAGE OF HAINESVILLE, ILLINOIS**

Notes to the Financial Statements  
April 30, 2012

3. Capital Assets (Cont.)

	Balance	Additions	Reductions	Balance
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital Assets Not Being Depreciated				
Land	\$ 3,998,939			3,998,939
Construction in progress		97,635		97,635
Total Capital Assets Not Being Depreciated	3,998,939	97,635	-	4,096,574
Capital Assets Being Depreciated				
Building	824,000			824,000
Water and Sewer System	6,329,798	42,054		6,371,852
Storm System	2,199,828	44,502		2,244,330
Other Assets	200,150	11,048		211,198
Total Capital Assets Being Depreciated	9,553,776	97,604	-	9,651,380
Less Accumulated Depreciation	1,469,198	168,502		1,637,700
Total Capital Assets Being Depreciated, Net	8,084,578	(70,898)	-	8,013,680
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 12,083,517</b>	<b>\$ 26,737</b>	<b>-</b>	<b>\$ 12,110,254</b>

At April 30, 2012, the commitment to complete the construction in progress for watermain improvements was \$138,246. This commitment is expected to be funded by the IEPA Loan discussed below.

4. Long-Term Debt

Long-term debt activity for the year ended April 30, 2012 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i>Governmental Activities</i>					
Compensated Absences	\$ 4,770	420		5,190	5,190
<i>Business-Type Activities</i>					
Note Payable - Bank	\$ 583,528		47,421	536,107	50,052
IEPA Loan	\$	88,949		88,949	
Compensated Absences	\$ 451	380		831	831
Capital Lease	\$ 27,788		8,836	18,952	9,256

**VILLAGE OF HAINESVILLE, ILLINOIS**

Notes to the Financial Statements  
 April 30, 2012

4. Long-Term Debt (Cont.)

*Note 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 under a four year lease in August 2010. The terms of the lease require four annual payments of \$10,156. 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.

*Illinois IEPA loan*

Illinois EPA Water Pollution Control Revolving Fund approved a loan on December 15, 2011, for an amount not to exceed \$259,011 of which \$88,949 has been drawn; due in semi-annual installments commencing January 1, 2013 through July 1, 2032; interest fixed at 2.2950%. The loan was issued to finance the installation of the Route 120 Watermain Extension Project and will be repaid from the Water & Sewer revenues in the Public Works Fund. Debt service requirements will be established upon completion of the loan draws.

*Debt Service Requirements to Maturity*

Year Ending April 30	Note Payable	
	Principal	Interest
2013	\$ 50,052	27,339
2014	52,782	24,609
2015	55,661	21,730
2016	377,612	12,893
	<u>\$ 536,107</u>	<u>86,571</u>

Year Ending April 30	Capital Lease	
	Principal	Interest
2013	\$ 9,256	900
2014	9,696	461
	<u>\$ 18,952</u>	<u>1,361</u>

## VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2012

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### 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.

### 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 \$209,886, including \$37,754 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 \$50,617.

### 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.

**VILLAGE OF HAINESVILLE, ILLINOIS**

Notes to the Financial Statements  
 April 30, 2012

9. Defined Benefit Pension Plan (Cont.)

Illinois Municipal Retirement (Cont.)

*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 2011 was 9.19% 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.

*Annual Pension Cost*

For 2011, the Village’s annual pension cost of \$17,557 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
12/31/2011	\$ 17,557	100%	0
12/31/2010	36,548	100%	0
12/31/2009	43,496	100%	0

The required contribution for 2011 was determined as part of the December 31, 2009 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2009 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, 2009 valuation was 30 years.

*Funded Status and Funding Progress*

As of December 31, 2011, the most recent actuarial valuation date, the plan was 79.68% funded. The actuarial accrued liability for benefits was \$207,340 and the actuarial value of assets was \$165,199, resulting in an underfunded actuarial accrued liability (UAAL) of \$42,141. The covered payroll (annual payroll of active employees covered by the plan) was \$191,046 and the ratio of UAAL to the covered payroll was 22%. In conjunction with the December 2011 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 2011, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

**VILLAGE OF HAINESVILLE, ILLINOIS**

Notes to the Financial Statements  
 April 30, 2012

9. Defined Benefit Pension Plan (Cont.)

Illinois Municipal Retirement (Cont.)

*Funded Status and Funding Progress (Cont.)*

The schedule of funding progress, presented as Required Supplementary Information following the Notes to the Financial Statements on page 40, 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.

10. Interfund Transactions

Interfund transfers during the year ended April 30, 2012 consisted of the following:

Receiving Fund	Transferring Fund	Amount
Public Works Fund	General Fund	\$ 8,903
General Fund	Motor Fuel Tax Fund	53,510
General Fund	Police Protection Fund	122,846

The remaining balance in the Police Protection Fund was transferred to the General Fund in fiscal year 2012 to fund the contract with the Village of Grayslake for police services (see Note 11). The Illinois Department of Transportation approved to pay a portion of the bike path construction paid by the General Fund with monies held in the Motor Fuel Tax Fund. In the prior year, the General Fund held a cash account erroneously as it was money to be held for Public Works. This amount was transferred in the current year to correct the error.

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, 2012:

Year	Amount
2013	\$ 661,549
2014	698,729
2015	737,691
2016	770,417
2017	129,276
	<u>\$ 2,997,662</u>

Current year expense was \$626,248 for the year ended April 30, 2012.

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

**VILLAGE OF HAINESVILLE, ILLINOIS**

Required Supplementary Information

Illinois Municipal Retirement Fund

April 30, 2012

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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
12/31/2011	\$ 165,199	207,340	42,141	79.68 %	191,046	22.06 %
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 participate in the Illinois Municipal Retirement Fund prior to 2008.

**INDIVIDUAL FUND FINANCIAL SCHEDULES**

**GOVERNMENTAL FUND TYPES**

**MAJOR FUNDS**

VILLAGE OF HAINESVILLE, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual  
Year Ended April 30, 2012

	Final Budget	Actual	Variance from Final Budget Over (Under)
<b>Taxes</b>			
Property	\$ 587,500	588,872	1,372
Utility	90,000	106,604	16,604
Franchise	105,000	114,792	9,792
Total Taxes	782,500	810,268	27,768
<b>Intergovernmental</b>			
Income Tax	287,760	304,760	17,000
Sales Tax	224,063	308,333	84,270
Personal Property Replacement Tax	300	260	(40)
Total Intergovernmental	512,123	613,353	101,230
<b>Fees, Licenses and Permits</b>			
Fines and Forfeitures	1,000	2,223	1,223
Other Licenses	12,780	12,030	(750)
Building Permits and Variances	16,000	14,717	(1,283)
Total Fees, Licenses and Permits	29,780	28,970	(810)
<b>Interest Income</b>	2,500	1,527	(973)
<b>Miscellaneous</b>			
Contributions	5,000	10,644	5,644
Miscellaneous	1,435	3,163	1,728
Total Miscellaneous	6,435	13,807	7,372
<b>Total Revenues</b>	<b>\$ 1,333,338</b>	<b>1,467,925</b>	<b>134,587</b>

VILLAGE OF HAINESVILLE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual  
Year Ended April 30, 2012

	Final Budget	Actual	Variance from Final Budget Over (Under)
<b>General Government</b>			
<b>Personnel</b>			
Wages	\$ 172,060	158,596	(13,464)
Payroll Taxes	13,576	12,583	(993)
Personnel Benefits	5,400	5,400	
Retirement Benefits	12,000	10,193	(1,807)
Total Personnel	<u>203,036</u>	<u>186,772</u>	<u>(16,264)</u>
<b>Contractual Services</b>			
Maintenance	22,000	21,967	(33)
Professional Services	85,450	109,241	23,791
Insurance	22,500	25,368	2,868
Professional Development	5,905	5,036	(869)
Economic Incentive Agreement	35,000	37,754	2,754
Communication	5,892	6,026	134
Total Contractual Services	<u>176,747</u>	<u>205,392</u>	<u>28,645</u>
<b>Commodities</b>			
Office Supplies and Expenses	13,084	13,765	681
Computer Services and Supplies	10,375	7,402	(2,973)
Maintenance Supplies	610	373	(237)
Other	800	786	(14)
Total Commodities	<u>24,869</u>	<u>22,326</u>	<u>(2,543)</u>
Total Current Expenditures	<u>404,652</u>	<u>414,490</u>	<u>9,838</u>
<b>Other</b>			
Contingency	<u>66,667</u>	<u>1,680</u>	<u>(64,987)</u>
<b>Capital Outlay</b>			
Bike Path	88,990	134,218	45,228
Other	27,107	31,524	4,417
Equipment	1,740	1,565	(175)
Total Capital Outlay	<u>117,837</u>	<u>167,307</u>	<u>49,470</u>
Total General Government	<u>589,156</u>	<u>583,477</u>	<u>(5,679)</u>
<b>Public Safety</b>			
<b>Emergency Management Agency</b>			
<b>Commodities</b>			
Office Supplies and Expenses	450		(450)
Maintenance Supplies	300	70	(230)
Computer Services and Supplies	200		(200)
Total Commodities	<u>950</u>	<u>70</u>	<u>(880)</u>
<b>Contractual Services</b>			
Dispatching	<u>700</u>		<u>(700)</u>

VILLAGE OF HAINESVILLE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual (Cont.)  
Year Ended April 30, 2012

	Final Budget	Actual	Variance from Final Budget Over (Under)
Public Safety (Cont.)			
Police Protection			
Contractual Services			
Dispatching	34,000	59,102	25,102
Police Contract	626,248	626,248	
Total Contractual Services	660,248	685,350	25,102
Total Public Safety	661,898	685,420	23,522
Total Expenditures	\$ 1,251,054	1,268,897	17,843

**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, 2012

	Final Budget	Actual	Variance from Final Budget Over (Under)
Revenues			
Motor Fuel Tax	\$ 122,443	103,160	(19,283)
Interest Income	200	33	(167)
Total Revenues	<u>122,643</u>	<u>103,193</u>	<u>(19,450)</u>
Expenditures			
Capital Outlay			
Street Maintenance	117,510	24,035	(93,475)
Other			
Contingency	6,132		(6,132)
Total Expenditures	<u>123,642</u>	<u>24,035</u>	<u>(99,607)</u>
Income (Loss) before Transfer	(999)	79,158	80,157
Transfer Out - General Fund		(53,510)	(53,510)
Change in Net Assets	<u>\$ (999)</u>	25,648	<u>26,647</u>
Fund Balance			
May 1		<u>293,408</u>	
April 30		<u><u>319,056</u></u>	

**PROPRIETARY FUND TYPE**

**ENTERPRISE FUNDS**

**VILLAGE OF HAINESVILLE, ILLINOIS**

Public Works Funds

Combining Schedule of Revenues, Expenses,  
and Changes in Net Assets  
Year Ended April 30, 2012

	Streets & Sanitation	Water & Sewer	Total
Operating Revenues			
Charges for Services	\$ 168,858	914,759	1,083,617
Operating Expenses			
Personnel Service		124,261	124,261
Contractual Services	210,855	394,838	605,693
Commodities	19,504	40,376	59,880
Other		10,890	10,890
Capital Outlay	22,377	1,666	24,043
Operating Expenses before Depreciation	252,736	572,031	824,767
Depreciation		168,502	168,502
Total Operating Expenses	252,736	740,533	993,269
Operating Income (Loss)	(83,878)	174,226	90,348
Nonoperating Revenue (Expense)			
Road and Bridge Tax	4,686		4,686
Investment Income		108	108
Interest Expense and Executory Costs	(31,291)		(31,291)
Total Nonoperating Revenues (Expenses)	(26,605)	108	(26,497)
Income (Loss) before Transfer	(110,483)	174,334	63,851
Transfer In - General Fund		8,903	8,903
Change in Net Assets	\$ (110,483)	183,237	72,754
Net Assets			
May 1			12,070,728
April 30			12,143,482

**VILLAGE OF HAINESVILLE, ILLINOIS**

Public Works Fund - Streets & Sanitation

Schedule of Revenues and Expenses - Budget and Actual  
Year Ended April 30, 2012

	Final Budget	Actual	Variance from Final Budget Over (Under)
<b>Operating Revenues</b>			
Charges for Services			
Garbage Charges	\$ 160,000	163,121	3,121
Yard Waste Stickers	6,700	5,737	(963)
<b>Total Operating Revenues</b>	<b>166,700</b>	<b>168,858</b>	<b>2,158</b>
<b>Operating Expenses</b>			
Contractual Services			
Maintenance Services	172,900	61,862	(111,038)
Garbage Contract	151,000	148,993	(2,007)
<b>Total Contractual Services</b>	<b>323,900</b>	<b>210,855</b>	<b>(113,045)</b>
Commodities			
Street Lighting	6,600	6,175	(425)
Equipment Rental	750		(750)
Julie Locates and Messages	3,200	4,016	816
Yard Waste Stickers	5,000	3,988	(1,012)
Maintenance Supplies	2,500	1,140	(1,360)
Other	1,000	4,185	3,185
<b>Total Commodities</b>	<b>19,050</b>	<b>19,504</b>	<b>454</b>
Capital Outlay			
Tree Planting	1,500	1,515	15
Landscape Beautification	22,500	19,664	(2,836)
Street Signs	2,000	1,198	(802)
Equipment	15,250		(15,250)
<b>Total Capital Outlay</b>	<b>41,250</b>	<b>22,377</b>	<b>(18,873)</b>
<b>Total Operating Expenses</b>	<b>384,200</b>	<b>252,736</b>	<b>(131,464)</b>
<b>Operating Loss</b>	<b>\$ (217,500)</b>	<b>(83,878)</b>	<b>133,622</b>

VILLAGE OF HAINESVILLE, ILLINOIS

Public Works Fund - Water & Sewer

Schedule of Revenues and Expenses - Budget and Actual  
Year Ended April 30, 2012

	Final Budget	Actual	Variance from Final Budget Over (Under)
<b>Operating Revenues</b>			
Charges for Services			
Water Sales	\$ 431,000	414,161	(16,839)
Sewer Charges	271,000	301,611	30,611
Miscellaneous	217,061	198,987	(18,074)
Illinois EPA Loan Proceeds	354,400	88,949	(265,451)
	<u>1,273,461</u>	<u>1,003,708</u>	<u>(269,753)</u>
Less Amounts to Balance Sheet	<u>(354,400)</u>	<u>(88,949)</u>	<u>265,451</u>
Net Operating Revenues	<u>919,061</u>	<u>914,759</u>	<u>(4,302)</u>
<b>Operating Expenses Excluding Depreciation</b>			
Personnel			
Wages	115,050	107,081	(7,969)
Payroll Taxes	9,100	7,750	(1,350)
Personnel Benefits	3,600	1,800	(1,800)
Retirement Benefits	9,700	7,630	(2,070)
Total Personnel	<u>137,450</u>	<u>124,261</u>	<u>(13,189)</u>
Contractual Services			
Engineering Services	25,000	8,416	(16,584)
Legal Services		10,161	10,161
Insurance	10,400	10,513	113
Water and Lift Station Services	43,400	41,284	(2,116)
Maintenance Services	56,515	34,555	(21,960)
Water Disposal	250,000	256,516	6,516
Electric Services	20,000	29,779	9,779
Professional Development	3,375	3,614	239
Total Contractual Services	<u>408,690</u>	<u>394,838</u>	<u>(13,852)</u>
Commodities			
Maintenance Supplies	4,450	2,901	(1,549)
Miscellaneous Office Expenses	5,200	5,513	313
Communication	5,180	4,984	(196)
Vehicle Expense	2,900	3,521	621
Office Supplies	4,700	6,252	1,552
Computer Software and Support	7,200	3,011	(4,189)
Other	1,300	14,194	12,894
Total Commodities	<u>30,930</u>	<u>40,376</u>	<u>9,446</u>
Total Current Expenses	<u>577,070</u>	<u>559,475</u>	<u>(17,595)</u>
Other			
Contingency		10,890	10,890

**VILLAGE OF HAINESVILLE, ILLINOIS**

Public Works Fund - Water & Sewer

Schedule of Revenues and Expenses - Budget and Actual  
Year Ended April 30, 2012

	Final Budget	Actual	Variance from Final Budget Over (Under)
<b>Operating Expenses Excluding Depreciation (Cont.)</b>			
Capital Outlay			
Building	78,000		(78,000)
Equipment	12,500	11,448	(1,052)
Watermain Improvements	376,400	184,191	(192,209)
Utilities	41,500	1,266	(40,234)
Total Capital Outlay	508,400	196,905	(311,495)
Less Amounts to Balance Sheet	(508,400)	(195,239)	313,161
Net Capital Outlays		1,666	1,666
Operating Expenses before Depreciation	577,070	572,031	(5,039)
Depreciation		168,502	(168,502)
Total Operating Expenses	577,070	740,533	163,463
Operating Income	\$ 341,991	174,226	(167,765)

**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	2011	2010	2009	2008	2007
Assessed Valuation	\$74,523,547	85,623,172	89,598,982	92,261,700	87,855,893
Tax Rates					
Corporate	0.163	0.132	0.152	0.143	0.140
Police Protection	0.600	0.555	0.548	0.534	0.541
SSA					
	0.763	0.687	0.700	0.677	0.681
Tax Extension					
Corporate	\$ 121,473	113,023	136,190	131,934	122,998
Police Protection	447,141	475,209	491,002	492,677	475,300
SSA				22,120	22,120
	\$ 568,614	588,231	627,193	646,732	620,418
Collections		587,900	625,960	645,127	618,972
Collection Rate		99.94%	99.80%	99.75%	99.77%

2006	2005	2004	2003	2002
84,282,626	81,661,713	71,863,369	65,936,281	52,117,360
0.150	0.137	0.113	0.112	0.100
0.541	0.548	0.501	0.356	0.416
0.691	0.685	0.614	0.468	0.516
126,424	111,877	81,206	73,849	52,117
455,969	447,506	360,035	234,733	216,808
5,560	5,530	5,460	5,030	4,140
587,953	564,913	446,701	313,612	273,065
582,023	537,806	442,226	312,785	273,081
98.99%	95.20%	99.00%	99.74%	100.01%