

**Village of Hainesville,
Illinois**

Annual Financial Report

**For the Year Ended
April 30, 2014**

Wolf & Company LLP
Certified Public Accountants

VILLAGE OF HAINESVILLE, ILLINOIS

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INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S 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, and the aggregate remaining fund information for the Village of Hainesville, Illinois, as of and for the year ended April 30, 2014, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Hainesville, Illinois, as of April 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and analysis of funding progress and employer contributions for the Village's defined contribution pension plan on pages 3-12 and 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 response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual fund financial statements and schedules on pages 41-52 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The comparative tax data on pages 53 and 54 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 it.

Wolf & Company LLP

Oakbrook Terrace, Illinois
September 18, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF HAINESVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2014

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 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 \$17,350,200 (*net position*). Of this amount, \$3,140,375 (*unrestricted net position*) may be used to meet the Village's ongoing obligations to citizens and creditors.
- The Village's total net position decreased by \$334,643. 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 \$330,470.
- As of the close of the current fiscal year, the Village's governmental funds reported combined fund balances of \$3,238,436. Of this amount, \$2,696,618 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 \$2,696,618 or 157% of total General Fund expenditures during the current year.
- The Village's total debt decreased by \$73,486 during the current fiscal year. The prior year debt of \$750,080 was decreased by payments of outstanding principal, including the payoff of the capital lease.

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 and nonmajor individual funds. The perspectives (government-wide, major fund and nonmajor funds) 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.)

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 Position (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, public works 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 Statements (see pages 16 to 20) are 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) are 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 Position:

**Table 1: Statement of Net Position
April 30, 2014 and 2013
(in thousands)**

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Assets						
Current and Other Assets	\$ 3,805.0	3,864.0	531.7	638.5	4,336.7	4,502.5
Capital Assets	3,170.8	2,546.4	11,175.5	12,135.8	14,346.3	14,682.2
Total Assets	6,975.8	6,410.4	11,707.2	12,774.3	18,683.0	19,184.7
Liabilities						
Current Liabilities	117.0	141.8	82.9	138.4	199.9	280.2
Deferred Inflows	475.3	493.9			475.3	493.9
Other Liabilities	377.5		280.2	725.8	657.7	725.8
Total Liabilities	969.8	635.7	363.1	864.2	1,332.9	1,499.9
Net Position						
Net Investment in Capital Assets Restricted for Maintenance of Roadways	2,737.6	2,546.4	10,932.0	11,385.7	13,669.6	13,932.1
Restricted for Capital Projects	291.4				291.4	
Unrestricted	2,728.3	3,083.3	412.1	524.4	3,140.4	3,607.7
Total Net Position	\$ 6,006.0	5,774.7	11,344.1	11,910.1	17,350.1	17,684.8

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

The largest portion of the Village's net position (79%) reflects an investment in capital assets (e.g., land, buildings, equipment, improvements and construction in progress), less any depreciation and outstanding 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 (18%) is unrestricted net position. 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 net position (3%) is restricted for maintenance of roadways and capital projects.

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

Normal Impacts

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

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

Borrowing for Capital 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 position and increase net investment in capital assets.

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

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

Current Year Impacts

The Village's \$334,643 decrease in combined net position (which is the Village's bottom line) was the result of the governmental activities net position increasing by \$231,317 and the business-type activities net position decreasing by \$565,960. The General Fund balance decreased by \$361,234, mainly due to the establishment of the Capital Projects Reserve Fund and the Capital Water and Sewer Reserve Fund. A transfer of \$190,000 went into the Capital Reserve and a transfer of \$50,000 went into the Capital Water and Sewer Fund. The rest of the decrease was due to an intentional spending down of the General Fund for various Capital Improvements. The Motor Fuel Tax Fund increase was \$103,758 due to no MFT projects completed during this current fiscal year. The Capital Project Funds, combined, increased of 291,400, as these funds were created in the current year for future expenditures.

The net position of the Village is generally not restricted. The balance of governmental unrestricted net position, \$2,696,618, 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 position, 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 Position

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

**Table 2: Statement of Changes in Net Position
Fiscal Years Ended April 30, 2014 and 2013
(in thousands)**

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Revenues						
Program Revenues:						
Charges for Services	\$ 59.5	37.6	903.7	1,004.3	963.2	1,041.9
Operating Grants and Contributions	103.8	10.5		2.2	103.8	12.7
General Revenues:						
Property Taxes	492.0	566.4			492.0	566.4
Utility Taxes	114.9	111.7			114.9	111.7
Franchise Taxes	235.2	126.8			235.2	126.8
Income Taxes	342.4	331.2			342.4	331.2
Sales Taxes	359.2	304.5			359.2	304.5
Other Taxes	0.5	100.8			0.5	100.8
Investment Income	0.5	2.4		0.1	0.5	2.5
Total Revenues	<u>1,708.0</u>	<u>1,591.9</u>	<u>903.7</u>	<u>1,006.6</u>	<u>2,611.7</u>	<u>2,598.5</u>
Expenses						
General Government	557.4	740.9			557.4	740.9
Public Safety	783.5	728.7			783.5	728.7
Public Works	485.7	103.1			485.7	103.1
Interest on Long-Term Debt	24.9				24.9	
Water & Sewer			937.6	846.5	937.6	846.5
Streets & Sanitation			157.4	393.5	157.4	393.5
Total Expenses	<u>1,851.5</u>	<u>1,572.7</u>	<u>1,095.0</u>	<u>1,240.0</u>	<u>2,946.5</u>	<u>2,812.7</u>
Change in Net Position Before Transfers	(143.5)		(191.3)		(334.8)	
Transfers	<u>374.7</u>		<u>(374.7)</u>			
Change in Net Position	231.2	19.2	(566.0)	(233.4)	(334.8)	(214.2)
Net Position, Beginning	<u>5,774.8</u>	<u>5,755.6</u>	<u>11,910.1</u>	<u>12,143.5</u>	<u>17,684.9</u>	<u>17,899.1</u>
Net Position, Ending	<u>\$ 6,006.0</u>	<u>5,755.6</u>	<u>11,344.1</u>	<u>11,910.1</u>	<u>17,350.1</u>	<u>17,684.9</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.)**

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.)**

Current Year Impacts

Governmental Activities

Revenue:

For the fiscal year ended April 30, 2014, revenues from the governmental activities totaled \$1,708,076. Property tax revenues are the Village's largest revenue source, coming in at \$492,035 with state income tax of \$342,426 and sales and use tax receipts of \$359,196. Franchise and utility taxes are \$235,223 and \$114,947, respectively.

Expenses:

For the fiscal year ended April 30, 2014, expenses for governmental activities totaled \$1,851,469.

Business-type Activities

Revenue:

For the fiscal year ended April 30, 2014, revenues from the business-type activities totaled \$903,738.

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

Expenses:

For the fiscal year ended April 30, 2014, expenses for business-type activities totaled \$1,094,988 including depreciation and amortization of \$142,992.

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.)**

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Governmental Funds

At April 30, 2014, the governmental funds (as presented on the Balance Sheet on page 16) reported a combined fund balance of \$3,238,436.

General Fund Budgetary Highlights

The 2014 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
Fiscal Year Ended April 30, 2014
(in thousands)**

	Original/Final Budget	Actual
Revenues		
Taxes	\$ 945.9	843.0
Intergovernmental	651.3	697.6
Other	53.2	60.0
Total	<u>1,650.4</u>	<u>1,600.6</u>
Expenditures		
General Government	518.7	451.8
Public Safety	784.5	780.8
Public Works	276.7	322.5
Debt Service	78.0	87.5
Capital Outlay	97.6	70.8
Total	<u>1,755.5</u>	<u>1,713.4</u>
Excess (Deficiency) of Revenues over Expenditures	(105.1)	(112.8)
Transfers Out	<u>(150.0)</u>	<u>(248.4)</u>
Net Change in Fund Balance	<u>\$ (255.1)</u>	<u>(361.2)</u>

The General Fund's actual revenues were under budget by \$49,854 (-3.0%), while actual expenditures were \$11,104 (-0.6%) less than the budgeted amount. Intergovernmental revenues received were over budget by \$46,254 (7.1%); property taxes were under by \$102,860 (-10.9%). The primary expenditure budget variances were within the General Government whereas the Salary and Benefit portion of the budget had less spent than budgeted for along as some Professional Services.

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

Capital Assets

At the end of Fiscal Year 2014, the Village had a combined total of capital assets of \$14,346.3 thousand 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, 2014
(in thousands)**

	Governmental Activities	Business-type Activities	Total
Land	\$ 99.0	3,998.9	4,097.9
Buildings and Improvements	1,696.5		1,696.5
Land Improvements	328.2		328.2
Office Furniture and Equipment	127.7		127.7
Police Equipment	21.3		21.3
Other Assets	202.5	133.4	335.9
Infrastructure	2,430.4		2,430.4
Water and Sewer System		6,667.5	6,667.5
Storm System		2,244.3	2,244.3
	<u>\$ 4,905.6</u>	<u>13,044.1</u>	<u>17,949.7</u>

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

	Governmental Activities	Business-type Activities	Total
Beginning Balance, net	\$ 2,546.4	12,135.8	14,682.2
Disposals			
Deprciable Assets	(5.2)	(0.2)	(5.4)
Reclassifications	817.2	(817.2)	
Depreciation Expense	(187.5)	(143.0)	(330.5)
Ending Balance	<u>\$ 3,170.9</u>	<u>11,175.4</u>	<u>14,346.3</u>

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

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

Debt Outstanding

The Village of Hainesville had total long-term debt and loans payable of \$676,593 as of April 30, 2014. Long-term debt is comprised of a bank note payable and an IEPA loan. During the year, \$73,486 of long-term debt was paid down.

The bank loan is payable in 59 regular payments and 1 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. The IEPA loan is for the installation of the Route 120 Watermain Extension Project and the North Street/Hainesville Road Watermain Extension Project.

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

Economic Factors

During fiscal year 2014 the Village Board had continued to control spending in all areas and spend down some unrestricted money on capital projects for safety and beautification of the Village. The Board also outsourced the Building Department and Plumbing Department services which helped reduce costs. The outlook for fiscal year 2015 is a positive one for increase in revenues received from the state. The State certified the new population figures from the census. The increased revenue per capita for State Income Taxes, Local Income Taxes and Motor Fuel Taxes will be reflected within fiscal year 2015.

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 Position
April 30, 2014

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash and Investments	\$ 3,092,083	405,798	3,497,881
Receivables			
Property Taxes	475,265		475,265
Other Taxes	213,860		213,860
Customer Accounts	23,818	125,916	149,734
Total Current Assets	3,805,026	531,714	4,336,740
Capital Assets			
Land	99,000	3,998,939	4,097,939
Other Capital Assets, Net of Depreciation	3,071,846	7,176,525	10,248,371
Total Capital Assets	3,170,846	11,175,464	14,346,310
Total Assets	6,975,872	11,707,178	18,683,050
LIABILITIES			
Current Liabilities			
Accounts Payable and Accrued Expenses	42,298	70,795	113,093
Deferred Revenue	14,030		14,030
Compensated Absences Payable	5,042	1,004	6,046
Current Portion of Long-Term Debt			
Note Payable - Bank	55,661		55,661
IEPA Loan		11,062	11,062
Total Current Liabilities	117,031	82,861	199,892
Noncurrent Liabilities			
Note Payable - Bank	377,505		377,505
IEPA Loan		232,366	232,366
Special Customer Credit		47,822	47,822
Total Noncurrent Liabilities	377,505	280,188	657,693
Total Liabilities	494,536	363,049	857,585
DEFERRED INFLOWS OF RESOURCES			
Unavailable Property Taxes	475,265		475,265
NET POSITION			
Net Investment in Capital Assets	2,737,680	10,932,036	13,669,716
Restricted for Maintenance of Roadways	248,709		248,709
Restricted for Capital Projects	291,400		291,400
Unrestricted	2,728,282	412,093	3,140,375
Total Net Position	\$ 6,006,071	11,344,129	17,350,200

See accompanying Notes to the Financial Statements.

VILLAGE OF HAINESVILLE, ILLINOIS

Statement of Activities
For the Year Ended April 30, 2014

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental Activities			
General Government	\$ 557,424	59,462	
Public Safety	783,433		
Public Works	485,738		103,758
Interest on Long-Term Debt	24,874		
Total Governmental Activities	1,851,469	59,462	103,758
Business-Type Activities			
Water & Sewer	937,550	738,668	
Streets & Sanitation	157,438	165,059	
Total Business-Type Activities	1,094,988	903,727	-
Total	\$ 2,946,457	963,189	103,758

General Revenues
 Taxes
 Property
 Utility
 Franchise
 Intergovernmental Revenue
 Income Tax
 Sales and Use Taxes
 Replacement Tax
 Unrestricted Investment Earnings
 Transfers
 Total General Revenues
 and Transfers

Change in Net Position

Net Position

May 1

April 30

See accompanying Notes to the Financial Statements.

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
(497,962)		(497,962)
(783,433)		(783,433)
(381,980)		(381,980)
(24,874)		(24,874)
(1,688,249)	-	(1,688,249)
	(198,882)	(198,882)
	7,621	7,621
-	(191,261)	(191,261)
(1,688,249)	(191,261)	(1,879,510)
492,035		492,035
114,947		114,947
235,223		235,223
342,426		342,426
359,196		359,196
514		514
515	11	526
374,710	(374,710)	
1,919,566	(374,699)	1,544,867
231,317	(565,960)	(334,643)
5,774,754	11,910,089	17,684,843
6,006,071	11,344,129	17,350,200

VILLAGE OF HAINESVILLE, ILLINOIS

Governmental Funds

Balance Sheet
April 30, 2014

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 2,556,896	535,187	3,092,083
Receivables			
Property Taxes	454,804	20,461	475,265
Other Taxes	207,229	6,631	213,860
Permits	23,818		23,818
Total Assets	\$ 3,242,747	562,279	3,805,026
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 42,298		42,298
Deferred Revenue	14,030		14,030
Total Liabilities	56,328	-	56,328
Deferred Inflows of Resources			
Unavailable Property Tax Revenue	454,804	20,461	475,265
Unavailable Income Taxes	34,997		34,997
Total Deferred Inflows of Resources	489,801	20,461	510,262
Fund Balances			
Restricted for Maintenance of Roadways		248,709	248,709
Restricted for Maintenance of Special Service Area		1,709	1,709
Committed for Capital Purposes		291,400	291,400
Unassigned	2,696,618		2,696,618
Total Fund Balances	2,696,618	541,818	3,238,436
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,242,747	562,279	3,805,026

See accompanying Notes to the Financial Statements.

VILLAGE OF HAINESVILLE, ILLINOIS

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

April 30, 2014

Total Fund Balances - Governmental Funds	\$ 3,238,436
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	3,170,846
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.	34,997
Some liabilities reported in the Statement of Net Position 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	(5,042)
Notes Payable	<u>(433,166)</u>
Net Position of Governmental Activities	<u>\$ 6,006,071</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, 2014

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues			
Taxes	\$ 843,038		843,038
Intergovernmental	697,554	103,758	801,312
Fees, Licenses and Permits	51,662		51,662
Investment Income	515		515
Miscellaneous	7,800		7,800
Total Revenues	1,600,569	103,758	1,704,327
Expenditures			
Current			
General Government	451,760	8,750	460,510
Public Safety	780,853		780,853
Public Works	322,477		322,477
Total Current Expenditures	1,555,090	8,750	1,563,840
Debt Service	87,548		87,548
Capital Outlay	70,769		70,769
Total Expenditures	1,713,407	8,750	1,722,157
Excess (Deficiency) of Revenues over Expenditures	(112,838)	95,008	(17,830)
Other Financing Sources (Uses)			
Transfer In		301,859	301,859
Transfers Out	(248,396)		(248,396)
Total Other Financing Sources (Uses)	(248,396)	301,859	53,463
Net Change in Fund Balance	(361,234)	396,867	35,633
Fund Balances			
May 1	3,057,852	144,951	3,202,803
April 30	\$ 2,696,618	541,818	3,238,436

See accompanying Notes to the Financial Statements.

VILLAGE OF HAINESVILLE, ILLINOIS

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

For the Year Ended April 30, 2014

Net Change in Fund Balances - Total Governmental Funds	\$ 35,633
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds do not recognize capital assets transferred from business-type activities; however, they are capitalized in the Statement of Net Position.	817,087
Government funds do not record loss on sale of capitalized assets; however, they are an expense in the Statement of Activities.	(5,176)
Depreciation is not considered an expenditure in the governmental funds.	(187,478)
Tax revenues in the Statement of Activities that do not provide current financial resources are reported as deferred revenue in the governmental funds.	3,749
Governmental funds do not recognize long term debt transferred from business-type activities; however, they are reported as liabilities in the Statement of Net Position.	(495,840)
Repayment of principal on long-term debt is an expenditure in governmental funds, but reduces long-term liabilities in the Statement of Net Position.	62,674
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>668</u>
Change in Net Position of Governmental Activities	<u>\$ 231,317</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, 2014

	Original and Final Budget	Actual	Variance from Final Budget Over (Under)
Revenues			
Taxes	\$ 945,898	843,038	(102,860)
Intergovernmental	651,300	697,554	46,254
Fees, Licenses and Permits	37,205	51,662	14,457
Interest Income	2,000	515	(1,485)
Miscellaneous	14,020	7,800	(6,220)
Total Revenues	1,650,423	1,600,569	(49,854)
Expenditures			
General Government			
Personnel	227,200	188,730	(38,470)
Contractual Services	229,390	208,600	(20,790)
Commodities	28,005	26,679	(1,326)
Capital Outlay	34,150	27,751	(6,399)
Total General Government Division	518,745	451,760	(66,985)
Public Safety			
Emergency Management Agency			
Commodities	2,650	181	(2,469)
Contractual Services	700	290	(410)
Capital Outlay	140		(140)
	3,490	471	(3,019)
Police Protection			
Contractual Services	781,000	780,382	(618)
Public Works			
Personnel	95,800	102,069	6,269
Contractual Services	156,225	188,708	32,483
Commodities	24,694	31,700	7,006
Total Public Works	276,719	322,477	45,758
Total Current Expenditures	1,579,954	1,555,090	(24,864)
Debt Service	78,000	87,548	9,548
Capital Outlay	97,557	70,769	(26,788)
Total Expenditures	1,755,511	1,713,407	(42,104)
Excess (Deficiency) of Revenues over Expenditures	(105,088)	(112,838)	(7,750)
Other Financing Uses			
Transfers Out	(150,000)	(248,396)	(98,396)
Net Change in Fund Balance	\$ (255,088)	(361,234)	(106,146)
Fund Balance			
May 1		3,057,852	
April 30		2,696,618	

See accompanying Notes to the Financial Statements.

VILLAGE OF HAINESVILLE, ILLINOIS

Proprietary Fund - Public Works Fund

Statement of Net Position

April 30, 2014

Assets	
Current Assets	
Cash and Cash Equivalents	\$ 405,798
Accounts Receivable	125,916
Total Current Assets	<u>531,714</u>
Noncurrent Assets	
Land	3,998,939
Capital Assets at Cost	9,045,245
Less Accumulated Depreciation	(1,868,720)
Total Noncurrent Assets	<u>11,175,464</u>
Total Assets	<u>11,707,178</u>
Liabilities	
Current Liabilities	
Accounts Payable	68,395
Water Deposits	2,400
Compensated Absences	1,004
Current Portion of Long-Term Debt	
IEPA Loan	11,062
Total Current Liabilities	<u>82,861</u>
Noncurrent Liabilities	
IEPA Loan	232,366
Special Customer Credit	47,822
Total Noncurrent Liabilities	<u>280,188</u>
Total Liabilities	<u>363,049</u>
Net Position	
Net Investment in Capital Assets	10,932,036
Unrestricted	412,093
Total Net Position	<u>\$ 11,344,129</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 Position
Year Ended April 30, 2014

Operating Revenues	
Charges for Services	<u>\$ 903,727</u>
Operating Expenses	
Operations	945,998
Depreciation	142,992
Total Operating Expenses	<u>1,088,990</u>
Operating Loss	<u>(185,263)</u>
Nonoperating Revenues (Expenses)	
Loss on Disposal of Assets	(225)
Investment Income	11
Interest Expense and Executory Costs	(5,773)
Total Nonoperating Revenues (Expenses)	<u>(5,987)</u>
Loss before Transfers	(191,250)
Transfers	
Transfers Out	<u>(374,710)</u>
Change in Net Position	(565,960)
Net Position	
Beginning of Year	<u>11,910,089</u>
End of Year	<u>\$ 11,344,129</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, 2014

Cash Flows from Operating Activities	
Receipts from Customers	\$ 900,710
Payments to Suppliers	(889,191)
Payments to Employees	(50,103)
	<u>(38,584)</u>
Cash Flows from Investing Activities	
Earnings on Investments	<u>11</u>
Cash Flows from Capital and Related Financing Activities	
Principal Paid on IEPA Loan	(10,812)
Interest Expense and Executory Costs	(5,773)
	<u>(16,585)</u>
Cash Flows from Non-Capital and Related Financing Activities	
Transfers to Other Funds	<u>(53,463)</u>
Net Decrease in Cash and Cash Equivalents	(108,621)
Cash and Cash Equivalents	
May 1	<u>514,419</u>
April 30	<u>\$ 405,798</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities	
Operating Loss	\$ (185,263)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	
Depreciation	142,992
Changes in Assets and Liabilities	
Increase in Accounts Receivable	(1,855)
Increase in Current Liabilities	6,704
Decrease in Special Customer Credit	(1,162)
	<u>\$ (38,584)</u>

Non-cash Capital Financing Activity

The Public Works Fund transferred capital assets with a cost of \$894,992, less accumulated depreciation of \$77,905, along with debt with outstanding balance of \$495,840 to Governmental activities. See Note 10.

See accompanying Notes to the Financial Statements.

VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

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 position 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 position and the statement of activities display information about the Village as a whole. In the government-wide statement of net position, 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.

VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

1. Summary of Significant Accounting Policies (Cont.)

B. Basis of Presentation (Cont.)

Government-wide Financial Statements (Cont.)

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 position, and the operating statements present increases (revenues) and decreases (expenses) in total net position. 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 position 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, 2014

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 covered.

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, 2014

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 governmental funds:

Major Fund:

General Fund – The General 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.

Nonmajor Funds:

Motor Fuel Tax Fund – The Motor Fuel Tax Fund is used to account for proceeds of State Motor Fuel Tax distributions, and related costs which are to be used solely for street and highway construction and maintenance.

Special Service Area Fund – The Special Service Area Fund is used to account for proceeds from the collection of property taxes, and related costs which are to be used solely for the maintenance of the Cranberry Lake area.

Capital Projects Reserve Fund – The Capital Projects Reserve Fund is used to account for costs which are solely for capital expenditures for general governmental purposes. Funding is provided by transfers from the General Fund.

Water and Sewer Capital Reserve Fund – The Water and Sewer Capital Reserve Fund is used to account for costs which are solely for capital expenditures for the proprietary unit. Funding is provided by transfers from the General and Public Works Funds.

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'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, 2014

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. This Fund includes sanitation and water and sewer services to residents. Effective May 1, 2013, the Streets and Sanitation Fund was moved from the Public Works Fund to a department of the General Fund/Governmental Activities.

- D. Deferred Revenue/Unavailable Taxes

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, 2014, but which were not considered available, have been recorded as unavailable revenue. Grants and entitlements received before the eligibility requirements are met and recreation program fees received in advance are also recorded as unavailable 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, 2014

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, 2014

1. Summary of Significant Accounting Policies (Cont.)

G. Net Position/Fund Equity

Net Position

In the government-wide financial statements, net position is reported as restricted when constraints placed on net position 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 position and displayed in three components:

- Net Investment in Capital Assets – consists of capital assets, net of accumulated depreciation and related debt.
- Restricted Net Position – consists of net position 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 Position – consists of all other net position that does not meet the definition of restricted net assets.

Fund Equity

There are five classifications of fund balances. These provide 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.

VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

1. Summary of Significant Accounting Policies (Cont.)

G. Net Position/Fund Equity (Cont.)

Fund Equity (Cont.)

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 position. Bond premiums, if any, 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.

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 2013 attach as an enforceable lien on January 1, 2013, 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, 2014 and September 1, 2014. 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 2013 tax levy is used to fund operations of the 2014-2015 fiscal year, the revenue is reported as unavailable at April 30, 2014, and presented as deferred inflows of resources per Note 1. K.

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.

VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements

April 30, 2014

1. Summary of Significant Accounting Policies (Cont.)

K. Deferred Outflows/Inflows of Resources

The Village has adopted the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement No. 65, *Items Previously Reports as Assets and Liabilities*. Therefore, in addition to liabilities, the statement of net position and governmental funds balance sheet report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Village has only one type of item that qualifies for reporting in this category. Accordingly, the item, unavailable property taxes, is reported in the statement of net position and the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

L. 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.

M. 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.

N. Excess of Expenditures over Budget/Deficit Fund Balance

No funds had an excess of actual expenditures over budget for the year ended April 30, 2014. There were no funds that had a deficit in the fund balance at April 30, 2014.

VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements
 April 30, 2014

2. Cash and Investments

A. Cash

The carrying amount of cash was \$951,877 at April 30, 2014, while the bank balances were \$967,684. Bank balances were either insured by the Federal Deposit Insurance Corporation (FDIC) up to \$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 \$2,546,004 in Illinois Funds earning a 0.014% 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.

3. Capital Assets

A summary of changes in the Village's capital assets for the period May 1, 2013 through April 30, 2014 follows. Total depreciation expense for the year was \$187,478 for governmental activities and \$142,992 for business-type activities.

	Beginning Balance	Additions and Transfers	Disposals	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated				
Land	\$ 99,000			99,000
Capital Assets Being Depreciated				
Buildings and Building				
Improvements	994,936	824,000	122,447	1,696,489
Land Improvements	328,243			328,243
Office Furniture and Equipment	140,063		12,320	127,743
Police Equipment	21,314			21,314
Other Assets	144,302	70,992	12,790	202,504
Infrastructure	2,430,436			2,430,436
Total Capital Assets Being Depreciated	4,059,294	894,992	147,557	4,806,729
Less Accumulated Depreciation	1,611,881	265,383	142,381	1,734,883
Total Capital Assets Being Depreciated, Net	2,447,413	629,609	5,176	3,071,846
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET				
	\$ 2,546,413	629,609	5,176	3,170,846

VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

3. Capital Assets (Cont.)

Note: Additions include \$894,992 of cost and \$77,905 of related accumulated depreciation that were transferred from the Public Works Fund. See Note 10.

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

General Government	\$ 64,655
Public Safety	2,580
Public Works	<u>120,243</u>
	<u>\$ 187,478</u>

	Beginning Balance	Additions	Disposals and Transfers	Ending Balance
BUSINESS-TYPE ACTIVITIES				
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	6,667,508			6,667,508
Storm System	2,244,330			2,244,330
Other Assets	211,198		77,791	133,407
Total Capital Assets Being Depreciated	9,947,036		901,791	9,045,245
Less Accumulated Depreciation	1,810,207	142,992	84,479	1,868,720
Total Capital Assets Being Depreciated, Net	8,136,829	(142,992)	817,312	7,176,525
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET				
	<u>\$ 12,135,768</u>	<u>(142,992)</u>	<u>817,312</u>	<u>11,175,464</u>

4. Long-Term Debt

Long-term debt activity for the year ended April 30, 2014 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i>Governmental Activities</i>					
Compensated Absences	\$ 5,710		668	5,042	5,042
Note Payable - Bank (a)	486,144		52,978	433,166	55,661
Capital Lease (a)	9,696		9,696		
	<u>\$ 501,550</u>	<u>-</u>	<u>63,342</u>	<u>438,208</u>	<u>60,703</u>

VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

4. Long-Term Debt (Cont.)

(a) Reported as Business-type activity at April 30, 2013, transferred to Governmental activities May 1, 2013. See Note 10.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i>Business-Type Activities</i>					
IEPA Loan	\$ 254,240		10,812	243,428	11,062
Compensated Absences	939	65		1,004	1,004
	<u>\$ 255,179</u>	<u>65</u>	<u>10,812</u>	<u>244,432</u>	<u>12,066</u>

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 \$343,698, 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. The capital lease was paid off in 2013.

Illinois IEPA loan

Illinois EPA Water Pollution Control Revolving Fund approved a loan on December 15, 2011, for an amount of which \$259,553 including accrued interest has been drawn, due in semi-annual installments of \$8,293 commencing May 1, 2013 through May 1, 2032, including 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. The May 1, 2014 payment was made on April 30.

Debt Service Requirements to Maturity - Governmental Activities

Year Ending April 30	Note Payable	
	Principal	Interest
2015	\$ 55,661	21,730
2016	377,505	12,893
	<u>\$ 433,166</u>	<u>34,623</u>

VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements
 April 30, 2014

4. Long-Term Debt (Cont.)

Debt Service Requirements to Maturity - Business-Type Activities

Year Ending April 30	IEPA	
	Principal	Interest
2015	\$ 11,062	5,524
2016	11,317	5,268
2017	11,578	5,007
2018	11,845	4,740
2019	12,119	4,466
2020-2024	64,924	18,005
2025-2029	72,768	10,157
2030-2032	47,815	1,939
	<u>\$ 243,428</u>	<u>55,106</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 Restricted 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 \$288,790, including \$40,655 in the current year.

VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

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 \$47,822.

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, 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 Village's employer contribution rate for calendar year 2013 was 9.55% 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 calendar 2013, the Village's annual pension cost of \$19,767 for the plan was equal to the Village's required and actual contributions.

TREND INFORMATION

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/2013	\$ 19,767	100%	0
12/31/2012	19,032	100%	0
12/31/2011	17,557	100%	0

The required contribution for 2013 was determined as part of the December 31, 2011 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2011 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

VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements
 April 30, 2014

9. Defined Benefit Pension Plan (Cont.)

Annual Pension Cost (Cont.)

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 at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress

As of December 31, 2013, the most recent actuarial valuation date, the plan was 78.43% funded. The actuarial accrued liability for benefits was \$304,309 and the actuarial value of assets was \$238,677, resulting in an underfunded actuarial accrued liability (UAAL) of \$65,632. The covered payroll (annual payroll of active employees covered by the plan) was \$206,988 and the ratio of UAAL to the covered payroll was 32%.

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

The following were interfund transfers during the year ended April 30, 2014:

Transfers Out	Transfers In	Amount
General Fund	Nonmajor Governmental Funds	\$ 248,396
Public Works Fund	Nonmajor Governmental Funds	<u>53,463</u>
		<u>\$ 301,859</u>

The General Fund's transfers consist of \$51,400 to the Water and Sewer Capital Reserve Fund (nonmajor) and \$190,000 to the Capital Project Reserve Fund (nonmajor), to be used for capital expenditures. \$6,996 was transferred to the Special Service Area Fund (nonmajor) to fund maintenance costs in the special service area.

The Public Work Fund's cash transfers consist of \$50,000 to the Water and Sewer Capital Reserve Fund (nonmajor) to be used for capital expenditures. \$3,463 was transferred to the Special Service Area Fund (nonmajor) to fund certain maintenance costs in the Special Service Area.

In addition, on May 1, 2013, the Public Works Fund transferred \$894,992 of capital asset costs and related \$77,905 of accumulated depreciation. Also, the balance of the capital lease of \$9,696 and the mortgage balance of \$486,144 were moved to Governmental Activities, for a net transfer of \$321,247 to Governmental Activities, in conjunction with moving the Streets Department to the General Fund.

VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements
April 30, 2014

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, 2014:

<u>Year</u>	<u>Amount</u>
2015	\$ 737,693
2016	770,419
2017	<u>129,278</u>
	<u>\$ 1,637,390</u>

Expense for the year ended April 30, 2014 was \$698,729.

12. Subsequent Events

Management has evaluated subsequent events through September 18, 2014, the date the financial statements were available to be issued.

13. Future Pronouncement

In June 2012, the GASB issued Statement 68, *Accounting and Financial Reporting for Pensions*. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. Statement No. 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information. The provisions of this Statement are effective for the Village's financial year ending April 30, 2016. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

VILLAGE OF HAINESVILLE, ILLINOIS

Required Supplementary Information

Illinois Municipal Retirement Fund

April 30, 2014

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
12/31/2013	\$ 238,677	304,309	65,632	78.43 %	206,988	31.71 %
12/31/2012	200,864	245,770	44,906	81.73	195,600	22.96
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

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$264,027. On a market value basis, the funded ratio would be 86.76%

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

GOVERNMENTAL FUND TYPES

GENERAL FUND

VILLAGE OF HAINESVILLE, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual
Year Ended April 30, 2014

	Final Budget	Actual	Variance from Final Budget Over (Under)
Taxes			
Property	\$ 597,300	492,035	(105,265)
Utility	91,000	114,947	23,947
Franchise	257,598	236,056	(21,542)
Total Taxes	<u>945,898</u>	<u>843,038</u>	<u>(102,860)</u>
Intergovernmental			
Income Tax	343,000	342,426	(574)
Sales and Use Taxes	308,000	354,614	46,614
Personal Property Replacement Tax	300	514	214
Total Intergovernmental	<u>651,300</u>	<u>697,554</u>	<u>46,254</u>
Fees, Licenses and Permits			
Fines and Forfeitures	600	3,606	3,006
Other Licenses	22,605	22,626	21
Building Permits and Inspections	14,000	25,430	11,430
Total Fees, Licenses and Permits	<u>37,205</u>	<u>51,662</u>	<u>14,457</u>
Interest Income	<u>2,000</u>	515	(1,485)
Miscellaneous			
Contributions	3,000		(3,000)
Grants	10,000		(10,000)
Miscellaneous	1,020	7,800	6,780
Total Miscellaneous	<u>14,020</u>	<u>7,800</u>	<u>(6,220)</u>
Total Revenues	<u>\$ 1,650,423</u>	<u>1,600,569</u>	<u>(49,854)</u>

VILLAGE OF HAINESVILLE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual
Year Ended April 30, 2014

	Final Budget	Actual	Variance from Final Budget Over (Under)
General Government			
Personnel			
Wages	\$ 189,800	159,400	(30,400)
Payroll Taxes	17,000	12,607	(4,393)
Personnel Benefits	5,400	5,400	
Retirement Benefits	15,000	11,323	(3,677)
Total Personnel	<u>227,200</u>	<u>188,730</u>	<u>(38,470)</u>
Contractual Services			
Maintenance	33,800	32,600	(1,200)
Professional Services	89,702	92,139	2,437
Insurance	34,000	34,330	330
Professional Development	14,013	2,741	(11,272)
Economic Incentive Agreement	50,900	40,655	(10,245)
Communication	6,975	6,135	(840)
Total Contractual Services	<u>229,390</u>	<u>208,600</u>	<u>(20,790)</u>
Commodities			
Office Supplies and Expenses	16,870	14,101	(2,769)
Computer Services and Supplies	9,525	11,521	1,996
Maintenance Supplies	610	67	(543)
Other	1,000	990	(10)
Total Commodities	<u>28,005</u>	<u>26,679</u>	<u>(1,326)</u>
Total Current Expenditures	<u>484,595</u>	<u>424,009</u>	<u>(60,586)</u>
Capital Outlay			
Bike Path	16,500	7,697	(8,803)
Other	17,650	20,054	2,404
Total Capital Outlay	<u>34,150</u>	<u>27,751</u>	<u>(6,399)</u>
Total General Government	<u>518,745</u>	<u>451,760</u>	<u>(66,985)</u>
Public Safety			
Emergency Management Agency			
Commodities			
Office Supplies and Expenses	2,300	181	(2,119)
Maintenance Supplies	150		(150)
Computer Services and Supplies	200		(200)
Total Commodities	<u>2,650</u>	<u>181</u>	<u>(2,469)</u>
Contractual Services			
Dispatching	700	290	(410)
Total Current Expenditures	<u>3,350</u>	<u>471</u>	<u>(2,879)</u>
Capital Outlay			
Community Development	140		(140)
Total Emergency Management Agency	<u>3,490</u>	<u>471</u>	<u>(3,019)</u>

VILLAGE OF HAINESVILLE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual (Cont.)
 Year Ended April 30, 2014

	Final Budget	Actual	Variance from Final Budget Over (Under)
Public Safety (Cont.)			
Police Protection			
Contractual Services			
Dispatching	82,000	81,653	(347)
Police Contract	699,000	698,729	(271)
Total Contractual Services	<u>781,000</u>	<u>780,382</u>	<u>(618)</u>
Total Public Safety	<u>784,490</u>	<u>780,853</u>	<u>(3,497)</u>
Public Works			
Street Division			
Personnel			
Wages	79,000	88,663	9,663
Payroll Taxes	9,000	6,875	(2,125)
Personnel Benefits	1,800	1,800	
Retirement Benefits	6,000	4,731	(1,269)
Total Personnel	<u>95,800</u>	<u>102,069</u>	<u>6,269</u>
Contractual Services			
Maintenance	150,225	176,999	26,774
Engineering	6,000	11,709	5,709
Total Contractual Services	<u>156,225</u>	<u>188,708</u>	<u>32,483</u>
Commodities			
Street Lighting	6,300	5,666	(634)
Equipment Rental	3,274	3,534	260
Julie Locates and Messages	2,000	566	(1,434)
Heating Services	1,000		(1,000)
Maintenance Supplies	6,250	9,678	3,428
Professional Development	3,850	3,562	(288)
Office Supplies	1,420	3,642	2,222
Other	600	5,052	4,452
Total Commodities	<u>24,694</u>	<u>31,700</u>	<u>7,006</u>
Total Current Expenditures	<u>276,719</u>	<u>322,477</u>	<u>45,758</u>
Capital Outlay			
Building	9,000		(9,000)
Tree Planting	24,120	35,750	11,630
Landscape Beautification	39,280	20,545	(18,735)
Equipment	25,157	14,474	(10,683)
Total Capital Outlay	<u>97,557</u>	<u>70,769</u>	<u>(26,788)</u>
Debt Service			
Principal	53,000	62,674	9,674
Interest	25,000	24,874	(126)
Total Debt Service	<u>78,000</u>	<u>87,548</u>	<u>9,548</u>
Total Public Works	<u>452,276</u>	<u>480,794</u>	<u>28,518</u>
Total Expenditures	<u>\$ 1,755,511</u>	<u>1,713,407</u>	<u>(41,964)</u>

NONMAJOR GOVERNMENTAL FUNDS

VILLAGE OF HAINESVILLE, ILLINOIS

Combining Balance Sheet

Nonmajor Governmental Funds

April 30, 2014

	Special Revenue Funds		Capital Project Funds		Total Nonmajor Governmental Funds
	Motor Fuel Tax	Special Service Area	Capital Projects Reserve	Water and Sewer Capital Reserve	
ASSETS					
Assets					
Cash	\$ 242,078	1,709	190,000	101,400	535,187
Property Tax Receivable		20,461			20,461
Intergovernmental Receivable	6,631				6,631
Total Assets	\$ 248,709	22,170	190,000	101,400	562,279
DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Deferred Inflows of Resources					
Unearned Property Taxes	\$	20,461			20,461
Fund Balances					
Restricted for					
Maintenance of Roadways	248,709				248,709
Maintenance of Special Service Area		1,709			1,709
Committed to					
Capital Purposes			190,000	101,400	291,400
Total Fund Balances	248,709	1,709	190,000	101,400	541,818
Total Deferred Inflows of Resources and Fund Balances	\$ 248,709	22,170	190,000	101,400	562,279

VILLAGE OF HAINESVILLE, ILLINOIS

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended April 30, 2014

	Special Revenue Funds		Capital Project Funds		Total Nonmajor Governmental Funds
	Motor Fuel Tax	Special Service Area	Capital Projects Reserve	Water and Sewer Capital Reserve	
Revenues					
Intergovernmental	\$ 103,758				103,758
Expenditures					
Contractual Services					
Maintenance		8,750			8,750
Excess (Deficiency) of Revenues over Expenditures	103,758	(8,750)	-	-	95,008
Other Financing Sources					
Transfer In		10,459	190,000	101,400	301,859
Net Change in Fund Balances	103,758	1,709	190,000	101,400	396,867
Fund Balance at Beginning of Year	144,951				144,951
Fund Balance at End of Year	\$ 248,709	1,709	190,000	101,400	541,818

VILLAGE OF HAINESVILLE, ILLINOIS

Motor Fuel Tax Fund

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2014

	Final Budget	Actual	Variance from Final Budget Over (Under)
Revenues			
Motor Fuel Tax	\$ 99,456	103,758	4,302
Expenditures			
Capital Outlay			
Street Maintenance	142,000		(142,000)
Change in Fund Balance	<u>\$ (42,544)</u>	103,758	<u>146,302</u>
Fund Balance			
May 1		<u>144,951</u>	
April 30		<u>248,709</u>	

VILLAGE OF HAINESVILLE, ILLINOIS

Special Service Area Fund

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2014

	Final Budget	Actual	Variance from Final Budget Over (Under)
Expenditures			
Contractual Services			
Maintenance	\$ 11,000	8,750	(2,250)
Transfer In		10,459	10,459
Change in Fund Balance	<u>\$ (11,000)</u>	1,709	<u>12,709</u>
Fund Balance			
May 1		<u> </u>	
April 30		<u>1,709</u>	

VILLAGE OF HAINESVILLE, ILLINOIS

Capital Projects Reserve Fund

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2014

	Final Budget	Actual	Variance from Final Budget Over (Under)
Transfer In	<u>\$</u>	190,000	<u>190,000</u>
Fund Balance May 1		<u> </u>	
April 30		<u>190,000</u>	

VILLAGE OF HAINESVILLE, ILLINOIS

Capital Projects Fund - Water & Sewer

**Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2014**

	Final Budget	Actual	Variance from Final Budget Over (Under)
Transfer In	<u>\$</u>	101,400	<u>101,400</u>
Fund Balance			
May 1		<u> </u>	
April 30		<u>101,400</u>	

PROPRIETARY FUND TYPE

ENTERPRISE FUNDS

PUBLIC WORKS FUNDS

VILLAGE OF HAINESVILLE, ILLINOIS

Public Works Funds

Combining Schedule of Revenues, Expenses,
and Changes in Net Position
Year Ended April 30, 2014

	Sanitation	Water & Sewer	Total
Operating Revenues			
Charges for Services	\$ 165,059	738,668	903,727
Operating Expenses			
Personnel Service		50,168	50,168
Contractual Services	147,165	716,317	863,482
Commodities	4,500	26,592	31,092
Capital Outlay		1,256	1,256
Operating Expenses before Depreciation	151,665	794,333	945,998
Depreciation		142,992	142,992
Total Operating Expenses	151,665	937,325	1,088,990
Operating Income (Loss)	13,394	(198,657)	(185,263)
Nonoperating Revenue (Expense)			
Loss on Disposal of Assets	(225)		(225)
Investment Income		11	11
Interest Expense and Executory Costs	(5,773)		(5,773)
Total Nonoperating Revenues (Expenses)	(5,998)	11	(5,987)
Income (Loss) before Transfer	7,396	(198,646)	(191,250)
Transfers			
Transfers Out	(324,710)	(50,000)	(374,710)
Change in Net Position	\$ (317,314)	(248,646)	(565,960)
Net Position			
May 1			11,910,089
April 30			11,344,129

VILLAGE OF HAINESVILLE, ILLINOIS

Public Works Fund - Sanitation

Schedule of Revenues and Expenses - Budget and Actual
Year Ended April 30, 2014

	Final Budget	Actual	Variance from Final Budget Over (Under)
Operating Revenues			
Charges for Services			
Garbage Charges	\$ 161,000	159,749	(1,251)
Yard Waste Stickers	4,000	5,310	1,310
Total Operating Revenues	165,000	165,059	59
Operating Expenses			
Contractual Services			
Garbage Contract	150,000	147,165	(2,835)
Commodities			
Yard Waste Stickers	4,000	4,500	500
Other	300		(300)
Total Commodities	4,300	4,500	200
Capital Outlay			
Equipment	63,500		(63,500)
Equipment	300		(300)
Total Capital Outlay	63,800	-	(63,800)
Total Operating Expenses	218,100	151,665	(66,435)
Operating Income (Loss)	\$ (53,100)	13,394	66,494

VILLAGE OF HAINESVILLE, ILLINOIS

Public Works Fund - Water & Sewer

Schedule of Revenues and Expenses - Budget and Actual
 Year Ended April 30, 2014

	Final Budget	Actual	Variance from Final Budget Over (Under)
Operating Revenues			
Charges for Services			
Water Sales	\$ 438,200	438,449	249
Sewer Charges	272,800	290,908	18,108
Miscellaneous	500	9,311	8,811
Total Operating Revenues	711,500	738,668	27,168
Operating Expenses Excluding Depreciation			
Personnel			
Wages	54,500	41,100	(13,400)
Payroll Taxes	6,000	3,302	(2,698)
Personnel Benefits	1,800	1,800	
Retirement Benefits	7,000	3,966	(3,034)
Total Personnel	69,300	50,168	(19,132)
Contractual Services			
Accounting Services	4,625	4,625	
Engineering Services	33,000	38,511	5,511
Legal Services	2,000	1,358	(642)
Insurance	9,500	9,540	40
Water and Lift Station Services	42,200	42,378	178
Maintenance Services	275,900	335,479	59,579
Water Disposal	260,000	258,685	(1,315)
Electric Services	25,000	23,543	(1,457)
Professional Development	2,440	2,198	(242)
Total Contractual Services	654,665	716,317	61,652
Commodities			
Maintenance Supplies	3,500	3,615	115
Miscellaneous Office Expenses	1,000	1,251	251
Communication	5,550	4,889	(661)
Office Supplies	13,320	10,736	(2,584)
Computer Software and Support	4,625	5,594	969
Other	600	507	(93)
Total Commodities	28,595	26,592	(2,003)
Total Current Expenses	752,560	793,077	40,517
Capital Outlay			
Utilities	500	1,256	756
Operating Expenses before Depreciation	753,060	794,333	41,273
Depreciation		142,992	(142,992)
Total Operating Expenses	753,060	937,325	184,265
Operating Loss	\$ (41,560)	(198,657)	(157,097)

SUPPLEMENTAL INFORMATION
(Unaudited)

VILLAGE OF HAINESVILLE, ILLINOIS

Comparative Tax Data

Last Ten Levy Years

(See Following Page)

VILLAGE OF HAINESVILLE, ILLINOIS

Comparative Tax Data

Last Ten Levy Years

Tax Levy Year	2013	2012	2011	2010	2009
Assessed Valuation	\$55,735,833	61,909,340	74,523,547	85,623,172	89,598,982
Tax Rates					
Corporate	0.216	0.194	0.163	0.132	0.152
Police Protection	0.600	0.600	0.600	0.555	0.548
	0.816	0.794	0.763	0.687	0.700
Tax Extension					
Corporate	\$ 120,389	120,104	121,473	113,023	136,190
Police Protection	334,415	371,456	447,141	475,209	491,002
SSA	20,461				
	\$ 475,265	491,560	568,614	588,231	627,193
Collections		489,879	566,331	587,900	625,960
Collection Rate		99.66%	99.60%	99.94%	99.80%

2008	2007	2006	2005	2004
92,261,700	87,855,893	84,282,626	81,661,713	71,863,369
0.143	0.140	0.150	0.137	0.113
0.534	0.541	0.541	0.548	0.501
0.677	0.681	0.691	0.685	0.614
131,934	122,998	126,424	111,877	81,206
492,677	475,300	455,969	447,506	360,035
22,120	22,120	5,560	5,530	5,460
646,732	620,418	587,953	564,913	446,701
645,127	618,972	582,023	537,806	442,226
99.75%	99.77%	98.99%	95.20%	99.00%