

**Village of Hainesville,  
Illinois**

**Annual Financial Report**

**For the Year Ended  
April 30, 2013**

**Wolf & Company LLP**  
Certified Public Accountants

## VILLAGE OF HAINESVILLE, ILLINOIS

### Table of Contents

---

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-12
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	13
Statement of Activities	14-15
Fund Financial Statements	
Balance Sheet – Governmental Funds	16
Reconciliation of Balance Sheet of Governmental Funds to Statement of Net Position	17
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	18
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to Statement of Activities	19
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	20
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Motor Fuel Tax Fund	21
Statement of Net Position – Proprietary Fund	22
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund	23
Statement of Cash Flows – Proprietary Fund	24
Notes to the Financial Statements	25-39
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)	
Schedule of Funding Progress – Illinois Municipal Retirement Fund	40

# VILLAGE OF HAINESVILLE, ILLINOIS

## Table of Contents

---

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

## **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, 2013, 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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Change in Accounting Principle

As described in Note 1.K. to the financial statements, the Village of Hainesville, Illinois adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, in 2012. Our opinion is not modified in respect to that matter.

### 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 plans 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 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 individual fund financial statements and schedules on pages 41-47 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 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 48-49 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*Wolf & Company LLP*

Oakbrook Terrace, Illinois  
September 17, 2013

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

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

**April 30, 2013**

---

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 \$17,684,843 (*net position*). Of this amount, \$3,607,791 (*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 \$214,207. 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 \$319,967.
- As of the close of the current fiscal year, the Village's governmental funds reported combined fund balances of \$3,202,803. Of this amount, \$3,057,852 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 \$3,057,852 or 253% of total General Fund expenditures during the current year.
- The Village's total debt increased by \$106,072 during the current fiscal year. The prior year debt of \$644,008 was increased by \$170,605 IEPA Loan, and paid down by \$64,533.

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

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

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

---

### **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 and administration. Property taxes, shared state sales and income taxes, and local utility and franchise taxes finance the majority of these services. The Business-type Activities reflect private sector type operations (Water and Sewer), where the fee for service typically covers all or most of the cost of operation, including depreciation.

### **Fund Financial Statements**

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

The Governmental Funds (see pages 16 to 21) presentation is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the Budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the Fund Financial Statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith.

While the totals of the Proprietary Fund Financial Statements (see pages 22 to 24) is the same as the Business-type column on the Government-Wide Financial Statement, the Governmental Funds Total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 17 and 19). The flow of current financial resources will reflect loan proceeds and interfund transfers as other financing sources as well as capital expenditures and loan principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bonds and others) into the Governmental Activities column (in the Government-wide statements).

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

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

The following table reflects the condensed Statement of Net Position:

**Table 1: Statement of Net Position**  
**April 30, 2013 and 2012**  
(in thousands)

	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
<b>Assets</b>						
Current and Other Assets	\$ 3,864.0	3,768.9	638.5	866.4	4,502.5	4,635.3
Capital Assets	2,546.4	2,637.2	12,135.8	12,110.3	14,682.2	14,747.5
Total Assets	6,410.4	6,406.1	12,774.3	12,976.7	19,184.7	19,382.8
<b>Liabilities</b>						
Current Liabilities	141.8	57.1	138.4	197.9	280.2	255.0
Deferred Inflows	493.9	593.5			493.9	593.5
Other Liabilities			725.8	635.3	725.8	635.3
Total Liabilities	635.7	650.6	864.2	833.2	1,499.9	1,483.8
<b>Net Position</b>						
Invested in Capital Assets, Net of Debt	2,546.4	2,637.2	11,385.7	11,466.3	13,932.1	14,103.5
Restricted for Maintenance of Roadways	145.0	319.1			145.0	319.1
Unrestricted	3,083.4	2,799.2	524.4	677.2	3,607.8	3,476.4
Total Net Position	\$ 5,774.8	5,755.5	11,910.1	12,143.5	17,684.9	17,899.0

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 debt used to acquire those assets. The Village uses these capital assets to provide service to citizens; consequently, these assets are not available for spending. The second largest portion (20%) is unrestricted 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 (1%) is restricted for maintenance of roadways.

**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 invested in capital assets, net of debt.

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

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

**Current Year Impacts**

The Village's \$214,207 decrease in combined net position (which is the Village's bottom line) was the result of the governmental activities net position increasing by \$19,186 and the business-type activities net position decreasing by \$233,393. The General Fund balance increased by \$293,784, mainly due to the increase of additional revenue from State sources for a growth with sales taxes and having less Capital Improvement projects being budgeted for during this fiscal year. The Motor Fuel Tax Fund decrease was \$174,105 due to MFT projects completed during the fiscal year where expenditures exceeded the revenue that came in for MFT.

The net position of the Village is generally not restricted. The balance of governmental unrestricted net position, \$3,083,390, 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 Assets**

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, 2013 and 2012**  
**(in thousands)**

	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ 37.6	32.1	1,004.3	1,083.6	1,041.9	1,115.7
Operating Grants and Contributions	10.5	10.6	2.2	4.7	12.7	15.3
General Revenues:						
Property Taxes	566.4	588.9			566.4	588.9
Utility Taxes	111.7	106.6			111.7	106.6
Franchise Taxes	126.8	118.4			126.8	118.4
Income Taxes	331.2	304.8			331.2	304.8
Sales Taxes	304.5	308.7			304.5	308.7
Other Taxes	100.8	103.4			100.8	103.4
Investment Income	2.4	1.6	0.1	0.1	2.5	1.7
Transfers		(8.9)		8.9		
	<u>1,591.9</u>	<u>1,566.2</u>	<u>1,006.6</u>	<u>1,097.3</u>	<u>2,598.5</u>	<u>2,663.5</u>
<b>Expenses</b>						
General Government	740.9	509.6			740.9	509.6
Public Safety	728.7	685.4			728.7	685.4
Public Works	103.1	103.6			103.1	103.6
Water & Sewer			846.5	740.5	846.5	740.5
Streets & Sanitation			393.5	284.0	393.5	284.0
	<u>1,572.7</u>	<u>1,298.6</u>	<u>1,240.0</u>	<u>1,024.5</u>	<u>2,812.7</u>	<u>2,323.1</u>
Change in Net Position	19.2	267.6	(233.4)	72.8	(214.2)	340.4
Net Position, Beginning	<u>5,755.6</u>	<u>5,488.0</u>	<u>12,143.5</u>	<u>12,070.7</u>	<u>17,899.1</u>	<u>17,558.7</u>
Net Position, Ending	<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>

**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, 2013, revenues from the governmental activities totaled \$1,591,905. Property tax revenues are the Village's largest revenue source, coming in at \$566,397 with state income tax of \$331,194 and sales and use tax receipts of \$304,495. Franchise and utility taxes are \$126,798 and \$111,675, respectively.

**Expenses:**

For the fiscal year ended April 30, 2013, expenses for governmental activities totaled \$1,572,719.

*Business-type Activities*

**Revenue:**

For the fiscal year ended April 30, 2013, revenues from the business-type activities totaled \$1,006,607.

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

**Expenses:**

For the fiscal year ended April 30, 2013, expenses for business-type activities totaled \$1,240,000, including depreciation and amortization of \$172,507.

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, 2013, the governmental funds (as presented on the Balance Sheet on page 16) reported a combined fund balance of \$3,202,803.

**General Fund Budgetary Highlights**

The 2013 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, 2013**  
**(in thousands)**

	Original/Final Budget	Actual
Revenues		
Taxes	\$ 796.0	804.9
Intergovernmental	565.6	645.1
Other	37.4	50.4
Total	<u>1,399.0</u>	<u>1,500.4</u>
Expenditures		
General Government	512.2	478.0
Public Safety	724.8	728.7
Total	<u>1,237.0</u>	<u>1,206.7</u>
Net Change in Fund Balance	<u>162.0</u>	<u>293.7</u>

The General Fund's actual revenues were over budget by \$101,458 (7.3%), while actual expenditures were \$30,377 (3%) less than the budgeted amount. Intergovernmental revenues received were over budget by \$79,480 (14.1%); property taxes were over by \$8,870 (1%). The primary expenditure budget variances were within the General Government where contractual service costs were reduced.

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

**Capital Assets**

At the end of Fiscal Year 2013, the Village had a combined total of capital assets of \$14,682.2 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, 2013**  
**(in thousands)**

	Governmental Activities	Business-type Activities	Total
Land	\$ 99.0	3,998.9	4,097.9
Buildings and Improvements	708.4	786.2	1,494.6
Land Improvements	272.3		272.3
Office Furniture and Equipment	33.7		33.7
Police Equipment	2.6		2.6
Other Assets	83.8	91.3	175.1
Infrastructure	1,346.6		1,346.6
Water and Sewer System		5,393.8	5,393.8
Storm System		1,865.6	1,865.6
	<u>\$ 2,546.4</u>	<u>12,135.8</u>	<u>14,682.2</u>

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

	Governmental Activities	Business-type Activities	Total
Beginning Balance, net	\$ 2,637.2	12,110.3	14,747.5
Additions			
Depreciable Assets	56.9	295.7	352.6
Reclassifications		(97.7)	(97.7)
Depreciation Expense	(147.7)	(172.5)	(320.2)
Ending Balance	<u>\$ 2,546.4</u>	<u>12,135.8</u>	<u>14,682.2</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 \$750,080 as of April 30, 2013. Long-term debt is comprised of a bank note payable, an IEPA loan and a capital lease obligation. During the year, \$64,533 of long-term debt was paid down. IEPA loans of \$170,605 were drawn down to fund construction.

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**

The Village continues to see improvements to the local economy. The State Income Taxes, Sales Taxes and Building Permits have increased again this fiscal year thus bringing additional revenue to the Village. The Village Board chose to not increase the Tax Levy and keep the dollar amount requested to be the same as the prior Fiscal Year. The Village has continued to control spending in all areas of operations of the Village while maintaining and increasing the services to the residents. The receiving of the State Income Taxes are being delayed to an average of two (2) months rather than three (3) months as the prior Fiscal Year.

### **CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, investors and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Kelly Hensley, Village Treasurer, Village of Hainesville, 100 North Hainesville Road, Hainesville, IL 60030.

## **BASIC FINANCIAL STATEMENTS**

# VILLAGE OF HAINESVILLE, ILLINOIS

## Statement of Net Position

April 30, 2013

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 3,130,020	514,419	3,644,439
Receivables			
Property Taxes	493,897		493,897
Other Taxes	209,638		209,638
Customer Accounts	30,473	124,061	154,534
Total Current Assets	3,864,028	638,480	4,502,508
Capital Assets			
Land	99,000	3,998,939	4,097,939
Other Capital Assets, Net of Depreciation	2,447,413	8,136,829	10,584,242
Total Capital Assets	2,546,413	12,135,768	14,682,181
Total Assets	6,410,441	12,774,248	19,184,689
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable and Accrued Expenses	7,147	64,156	71,303
Deferred Revenue	128,933		128,933
Compensated Absences Payable	5,710	939	6,649
Current Portion of Long-Term Debt			
Note Payable - Bank		52,782	52,782
IEPA Loan		10,812	10,812
Capital Lease		9,696	9,696
Total Current Liabilities	141,790	138,385	280,175
Noncurrent Liabilities			
Note Payable - Bank		433,362	433,362
IEPA Loan		243,428	243,428
Special Customer Credit		48,984	48,984
Total Noncurrent Liabilities	-	725,774	725,774
Total Liabilities	141,790	864,159	1,005,949
Deferred Inflows of Resources			
Unavailable Property Taxes	493,897		493,897
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	2,546,413	11,385,688	13,932,101
Restricted for Maintenance of Roadways	144,951		144,951
Unrestricted	3,083,390	524,401	3,607,791
Total Net Position	\$ 5,774,754	11,910,089	17,684,843

See accompanying Notes to the Financial Statements.

**VILLAGE OF HAINESVILLE, ILLINOIS**

Statement of Activities  
For the Year Ended April 30, 2013

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental Activities			
General Government	\$ 740,916	37,649	10,450
Public Safety	728,657		
Public Works	103,146		
Total Governmental Activities	1,572,719	37,649	10,450
Business-Type Activities			
Water & Sewer	846,544	837,418	
Streets & Sanitation	393,456	166,838	2,235
Total Business-Type Activities	1,240,000	1,004,256	2,235
Total	\$ 2,812,719	1,041,905	12,685

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

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
(692,817)		(692,817)
(728,657)		(728,657)
(103,146)		(103,146)
(1,524,620)	-	(1,524,620)
	(9,126)	(9,126)
	(224,383)	(224,383)
-	(233,509)	(233,509)
(1,524,620)	(233,509)	(1,758,129)
566,397		566,397
111,675		111,675
126,798		126,798
331,194		331,194
304,495		304,495
100,610		100,610
258		258
2,379	116	2,495
1,543,806	116	1,543,922
19,186	(233,393)	(214,207)
5,755,568	12,143,482	17,899,050
5,774,754	11,910,089	17,684,843

**VILLAGE OF HAINESVILLE, ILLINOIS**

## Governmental Funds

Balance Sheet  
April 30, 2013

	General Fund	Motor Fuel Tax Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash and Investments	\$ 2,879,292	250,728	3,130,020
Receivables			
Property Taxes	493,897		493,897
Other Taxes	203,452	6,186	209,638
Permits	30,473		30,473
Total Assets	<u>\$ 3,607,114</u>	<u>256,914</u>	<u>3,864,028</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts Payable	\$ 7,147		7,147
Deferred Revenue	16,970	111,963	128,933
Total Liabilities	<u>24,117</u>	<u>111,963</u>	<u>136,080</u>
Deferred Inflows of Resources			
Deferred Property Tax Revenue	493,897		493,897
Deferred Other Taxes	31,248		31,248
Total Deferred Inflows of Resources	<u>525,145</u>	<u>-</u>	<u>525,145</u>
Fund Balances			
Restricted for Maintenance of Roadways		144,951	144,951
Unassigned	3,057,852		3,057,852
Total Fund Balances	<u>3,057,852</u>	<u>144,951</u>	<u>3,202,803</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,607,114</u>	<u>256,914</u>	<u>3,864,028</u>

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, 2013

---

Total Fund Balances - Governmental Funds	\$ 3,202,803
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.	2,546,413
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.	31,248
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	<u>(5,710)</u>
Net Position of Governmental Activities	<u>\$ 5,774,754</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, 2013

	General Fund	Motor Fuel Tax Fund	Total Governmental Funds
Revenues			
Taxes	\$ 804,870	100,610	905,480
Intergovernmental	645,092		645,092
Fees, Licenses and Permits	35,261		35,261
Investment Income	2,379		2,379
Miscellaneous	12,838		12,838
Total Revenues	<u>1,500,440</u>	<u>100,610</u>	<u>1,601,050</u>
Expenditures			
Current			
General Government	415,198		415,198
Public Safety	728,657		728,657
Total Current Expenditures	<u>1,143,855</u>	<u>-</u>	<u>1,143,855</u>
Capital Outlay	62,801	274,715	337,516
Total Expenditures	<u>1,206,656</u>	<u>274,715</u>	<u>1,481,371</u>
Net Change in Fund Balance	293,784	(174,105)	119,679
Fund Balances			
May 1	<u>2,764,068</u>	<u>319,056</u>	<u>3,083,124</u>
April 30	<u>\$ 3,057,852</u>	<u>144,951</u>	<u>3,202,803</u>

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, 2013

---

Net Change in Fund Balances - Total Governmental Funds	\$ 119,679
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures; however, they are capitalized in the Statement of Net Position.	56,632
Depreciation is not considered an expenditure in the governmental funds.	(147,460)
Tax revenues in the Statement of Activities that do not provide current financial resources are reported as deferred revenue in the governmental funds.	(9,145)
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	(520)
Change in Net Position of Governmental Activities	<u>\$ 19,186</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, 2013

	Original and Final Budget	Actual	Variance from Final Budget Over (Under)
<b>Revenues</b>			
Taxes	\$ 796,000	804,870	8,870
Intergovernmental	565,612	645,092	79,480
Fees, Licenses and Permits	27,400	35,261	7,861
Interest Income	1,000	2,379	1,379
Miscellaneous	8,970	12,838	3,868
<b>Total Revenues</b>	<b>1,398,982</b>	<b>1,500,440</b>	<b>101,458</b>
<b>Expenditures</b>			
General Government			
Personnel	209,300	197,527	(11,773)
Contractual Services	204,973	191,270	(13,703)
Commodities	31,120	26,401	(4,719)
Capital Outlay	66,840	62,801	(4,039)
<b>Total General Government Division</b>	<b>512,233</b>	<b>477,999</b>	<b>(34,234)</b>
Public Safety			
Emergency Management Agency			
Commodities	1,100	1,335	235
Contractual Services	700		(700)
	<b>1,800</b>	<b>1,335</b>	<b>(465)</b>
Police Protection			
Contractual Services	723,000	727,322	4,322
<b>Total Expenditures</b>	<b>1,237,033</b>	<b>1,206,656</b>	<b>(30,377)</b>
<b>Net Change in Fund Balance</b>	<b>\$ 161,949</b>	<b>293,784</b>	<b>131,835</b>
<b>Fund Balance</b>			
May 1		<u>2,764,068</u>	
April 30		<u><u>3,057,852</u></u>	

See accompanying Notes to the Financial Statements.

**VILLAGE OF HAINESVILLE, ILLINOIS**

## Motor Fuel Tax Fund

Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2013

	Final Budget	Actual	Variance from Final Budget Over (Under)
Revenues			
Motor Fuel Tax	\$ 116,688	100,610	(16,078)
Expenditures			
Capital Outlay			
Street Maintenance	250,000	274,715	24,715
Change in Fund Balance	<u>\$ (133,312)</u>	(174,105)	<u>(40,793)</u>
Fund Balance			
May 1		<u>319,056</u>	
April 30		<u>144,951</u>	

See accompanying Notes to the Financial Statements.

# VILLAGE OF HAINESVILLE, ILLINOIS

## Proprietary Fund - Public Works Fund

### Statement of Net Position

April 30, 2013

#### Assets

##### Current Assets

Cash and Cash Equivalents	\$ 514,419
Accounts Receivable	124,061
Total Current Assets	<u>638,480</u>

##### Noncurrent Assets

Land	3,998,939
Capital Assets at Cost	9,947,036
Less Accumulated Depreciation	(1,810,207)
Total Noncurrent Assets	<u>12,135,768</u>

Total Assets	<u>12,774,248</u>
--------------	-------------------

#### Liabilities

##### Current Liabilities

Accounts Payable	61,906
Water Deposits	2,250
Compensated Absences	939
Current Portion of Long-Term Debt	
Note Payable - Bank	52,782
IEPA Loan	10,812
Capital Lease	9,696
Total Current Liabilities	<u>138,385</u>

##### Noncurrent Liabilities

Note Payable - Bank	433,362
IEPA Loan	243,428
Special Customer Credit	48,984
Total Noncurrent Liabilities	<u>725,774</u>

Total Liabilities	<u>864,159</u>
-------------------	----------------

#### Net Position

Invested in Capital Assets, Net of Related Debt	11,385,688
Unrestricted	<u>524,401</u>

Total Net Position	<u>\$ 11,910,089</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, 2013

---

Operating Revenues	
Charges for Services	<u>\$ 1,004,256</u>
Operating Expenses	
Operations	1,039,165
Depreciation	<u>172,507</u>
Total Operating Expenses	<u>1,211,672</u>
Operating Loss	<u>(207,416)</u>
Nonoperating Revenues (Expenses)	
Road and Bridge Tax	2,235
Investment Income	116
Interest Expense and Executory Costs	<u>(28,328)</u>
Total Nonoperating Revenues (Expenses)	<u>(25,977)</u>
Change in Net Position	(233,393)
Net Position	
Beginning of Year	<u>12,143,482</u>
End of Year	<u><u>\$ 11,910,089</u></u>

See accompanying Notes to the Financial Statements.

# VILLAGE OF HAINESVILLE, ILLINOIS

## Proprietary Fund - Public Works Fund

### Statement of Cash Flows Year Ended April 30, 2013

Cash Flows from Operating Activities	
Receipts from Customers	\$ 1,096,460
Payments to Suppliers	(988,126)
Payments to Employees	(124,891)
	<u>(16,557)</u>
Cash Flows from Investing Activities	
Earnings on Investments	<u>116</u>
Cash Flows from Capital and Related Financing Activities	
Proceeds from Note Payable	170,062
Principal Paid on Note Payable	(49,963)
Principal Paid on IEPA Loan	(5,314)
Capital Lease Payment	(9,256)
Interest Expense and Executory Costs	(28,328)
Acquisition of Capital Assets	(197,568)
	<u>(120,367)</u>
Cash Flows from Non-Capital and Related Financing Activities	
Receipts from Taxes	<u>2,235</u>
Net Decrease in Cash and Cash Equivalents	(134,573)
Cash and Cash Equivalents	
May 1	<u>648,992</u>
April 30	<u>\$ 514,419</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities	
Operating Loss	\$ (207,416)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	
Depreciation	172,507
Changes in Assets and Liabilities	
Decrease in Accounts Receivable	93,487
Decrease in Current Liabilities	(73,502)
Decrease in Special Customer Credit	(1,633)
	<u>\$ (16,557)</u>

See accompanying Notes to the Financial Statements.

## VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2013

---

### 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. Revenues, which are

## VILLAGE OF HAINESVILLE, ILLINOIS

### Notes to the Financial Statements

April 30, 2013

---

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

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

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

not classified as program revenues, are presented as general revenues of the Village, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the Village.

###### *Fund Financial Statements*

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

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

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

The government-wide financial statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statements of net 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, 2013

---

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

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

##### *Fund Financial Statements*

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

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

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

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

## VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2013

---

### 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:

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

**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.

##### 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.

The Village reports the following major proprietary fund:

**Public Works Fund** – The Public Works Fund is used to account for activities which are similar to those often found in the private sector, where the determination of net income is necessary or useful to sound financial administration. This Fund includes streets and sanitation and water and sewer services to residents.

#### D. Deferred Revenue

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

Taxes for which there is an enforceable legal claim as of April 30, 2013, but which were not considered available, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met and recreation program fees received in advance are also recorded as deferred revenue.

## VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2013

---

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

#### E. Capital Assets

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

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

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

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

#### F. Cash and Investments

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

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.

## VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2013

---

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

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

4. Short-term obligations of United States corporations (commercial paper) with assets over \$500,000,000 if a) such obligations are rated in the three highest classifications established by at least two standard rating services and mature not later than 180 days from the purchase date, b) such purchases do not exceed 10% of the corporation's outstanding obligations, and c) such purchases do not exceed more than one-third of the Village's portfolio.
5. Money market mutual funds registered under the Investment Company Act of 1940, provided that the portfolio of any such money market mutual fund is limited to obligations of the U.S. Government or its agencies.
6. State of Illinois Funds.

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

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

#### G. Net Position/Fund Equity

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:

- Invested 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.

## VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2013

---

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

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

##### Fund Equity (Cont.)

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

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

#### H. Long-Term Liabilities

In the government-wide financial statements and the fund financial statements of the proprietary funds, long-term debt and other long-term obligations are reported as liabilities in the statement of net 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 2012 attach as an enforceable lien on January 1, 2012, 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, 2013 and September 1, 2013. 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 2012 tax levy is used to fund operations of the 2013-2014 fiscal year, the revenue has been deferred at April 30, 2013.

## VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2013

---

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

#### J. Accumulated Unpaid Compensated Absences

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

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

#### K. 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 Reported 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.

## VILLAGE OF HAINESVILLE, ILLINOIS

### Notes to the Financial Statements

April 30, 2013

---

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

##### M. Budgetary Data (Cont.)

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

The Motor Fuel Tax Fund had an excess of actual expenditures over budget of \$24,715 for the year ended April 30, 2013, reflecting additional projects completed. There were no funds that had a deficit in the fund balance at April 30, 2013.

#### 2. Cash and Investments

##### A. Cash

The carrying amount of cash was \$677,352 at April 30, 2013, while the bank balances were \$720,171. 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 \$2,967,087 in Illinois Funds earning a 0.049% return. Illinois Funds is not subject to custodial credit risk. The Fund issues a publicly available financial report. That report may be obtained by writing to the Office of the State Treasurer, Illinois Funds Administrative Office, 300 W. Jefferson Street, Springfield, Illinois 62702.

# VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2013

## 3. Capital Assets

A summary of changes in the Village's capital assets for the period May 1, 2012 through April 30, 2013 follows. Total depreciation expense for the year was \$147,460 for governmental activities and \$172,507 for business-type activities.

	Beginning Balance	Additions	Reductions	Ending Balance
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital Assets Not Being Depreciated				
Land	\$ 99,000			99,000
Capital Assets Being Depreciated				
Buildings and Building Improvements	994,936			994,936
Land Improvements	328,243			328,243
Office Furniture and Equipment	140,063			140,063
Police Equipment	21,314			21,314
Other Assets	87,670	56,632		144,302
Infrastructure	2,430,436			2,430,436
Total Capital Assets Being Depreciated	4,002,662	-	-	4,059,294
Less Accumulated Depreciation	1,464,421	147,460		1,611,881
Total Capital Assets Being Depreciated, Net	2,538,241	(147,460)	-	2,447,413
<b>GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET</b>	<b>\$ 2,637,241</b>	<b>(147,460)</b>	<b>-</b>	<b>2,546,413</b>

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

General Government	\$ 44,507
Public Works	102,953
	<u>\$ 147,460</u>

# VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2013

## 3. Capital Assets (Cont.)

	Beginning Balance	Additions/ Reclassifications	Reductions/ Reclassifications	Ending Balance
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital Assets Not Being Depreciated				
Land	\$ 3,998,939			3,998,939
Construction in progress	97,635		97,635	
Total Capital Assets Not Being Depreciated	4,096,574	-	97,635	3,998,939
Capital Assets Being Depreciated				
Building	824,000			824,000
Water and Sewer System	6,371,852	295,656		6,667,508
Storm System	2,244,330			2,244,330
Other Assets	211,198			211,198
Total Capital Assets Being Depreciated	9,651,380	295,656	-	9,947,036
Less Accumulated Depreciation	1,637,700	172,507		1,810,207
Total Capital Assets Being Depreciated, Net	8,013,680	123,149	-	8,136,829
<b>BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET</b>	<b>\$ 12,110,254</b>	<b>123,149</b>	<b>-</b>	<b>12,135,768</b>

## 4. Long-Term Debt

Long-term debt activity for the year ended April 30, 2013 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i>Governmental Activities</i>					
Compensated Absences	\$ 5,190	520		5,710	5,710
<i>Business-Type Activities</i>					
Note Payable - Bank	\$ 536,107		49,963	486,144	52,782
Capital Lease	\$ 18,952		9,256	9,696	9,696
IEPA Loan	\$ 88,949	170,605	5,314	254,240	10,812
Compensated Absences	\$ 831	108		939	939

## VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2013

---

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

#### *Note Payable - Bank*

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

#### *Capital Lease*

A tractor was purchased under a four-year lease in August 2010. The terms of the lease require four annual payments of \$10,156. At the end of the lease, there is a purchase option of \$1. The terms of the lease require the transaction to be recorded as a capital lease, thus recognizing the assets as owned and a liability set up for the future payments due.

#### *Illinois IEPA loan*

Illinois EPA Water Pollution Control Revolving Fund approved a loan on December 15, 2011, for an amount 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, 2013 payment was made on April 30.

#### *Debt Service Requirements to Maturity*

Year Ending April 30	Note Payable	
	Principal	Interest
2014	\$ 52,782	24,609
2015	55,661	21,730
2016	377,701	12,893
	<u>\$ 486,144</u>	<u>59,232</u>

  

Year Ending April 30	Capital Lease	
	Principal	Interest
2014	\$ 9,696	461

## VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2013

---

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

#### *Debt Service Requirements to Maturity (Cont.)*

Year Ending April 30	IEPA	
	Principal	Interest
2014	\$ 10,812	5,773
2015	11,062	5,524
2016	11,317	5,268
2017	11,578	5,007
2018	11,845	4,740
2019-2023	63,457	19,469
2024-2028	71,126	11,799
2029-2032	63,043	3,299
	<u>\$ 254,240</u>	<u>60,879</u>

### 5. Risk Management

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

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

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

### 6. Motor Fuel Tax Allotment

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

### 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 \$248,135, including \$38,249 in the current year.

## VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2013

---

### 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 \$48,984.

### 9. Defined Benefit Pension Plan

#### Illinois Municipal Retirement

##### *Plan Description*

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

##### *Funding Policy*

As set by statute, the Village's plan members are required to contribute 4.50% of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's employer contribution rate for calendar year 2012 was 9.73% 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 2012, the Village's annual pension cost of \$19,032 for the plan was equal to the Village's required and actual contributions.

#### TREND INFORMATION

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2012	\$ 19,032	100%	0
12/31/2011	17,557	100%	0
12/31/2010	36,548	100%	0

The required contribution for 2012 was determined as part of the December 31, 2010 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2010 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, 2013

---

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

##### Illinois Municipal Retirement (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, 2010 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, 2012, the most recent actuarial valuation date, the plan was 81.73% funded. The actuarial accrued liability for benefits was \$245,770 and the actuarial value of assets was \$200,864, resulting in an underfunded actuarial accrued liability (UAAL) of \$44,906. The covered payroll (annual payroll of active employees covered by the plan) was \$195,600 and the ratio of UAAL to the covered payroll was 23%.

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

#### 10. Interfund Transactions

There were no interfund transfers during the year ended April 30, 2013. There were no interfund balances at April 30, 2013.

#### 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, 2013:

<u>Year</u>	<u>Amount</u>
2014	\$ 698,731
2015	737,693
2016	770,419
2017	<u>129,278</u>
	<u>\$ 2,336,121</u>

Current year expense was \$661,549 for the year ended April 30, 2013.

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

**VILLAGE OF HAINESVILLE, ILLINOIS**

## Required Supplementary Information

## Illinois Municipal Retirement Fund

April 30, 2013

---

*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
12/31/2012	\$ 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

*Note:*

The Village did not participate in the Illinois Municipal Retirement Fund prior to 2008.

## **INDIVIDUAL FUND FINANCIAL SCHEDULES**

## **GOVERNMENTAL FUND TYPES**

# VILLAGE OF HAINESVILLE, ILLINOIS

## General Fund

### Schedule of Revenues - Budget and Actual Year Ended April 30, 2013

	Final Budget	Actual	Variance from Final Budget Over (Under)
Taxes			
Property	\$ 596,000	566,397	(29,603)
Utility	90,000	111,675	21,675
Franchise	110,000	126,798	16,798
Total Taxes	796,000	804,870	8,870
Intergovernmental			
Income Tax	288,479	340,339	51,860
Sales Tax	276,833	304,495	27,662
Personal Property Replacement Tax	300	258	(42)
Total Intergovernmental	565,612	645,092	79,480
Fees, Licenses and Permits			
Fines and Forfeitures	600	4,910	4,310
Other Licenses	12,800	14,296	1,496
Building Permits and Variances	14,000	16,055	2,055
Total Fees, Licenses and Permits	27,400	35,261	7,861
Interest Income	1,000	2,379	1,379
Miscellaneous			
Contributions	8,000	10,450	2,450
Miscellaneous	970	2,388	1,418
Total Miscellaneous	8,970	12,838	3,868
Total Revenues	\$ 1,398,982	1,500,440	101,458

# VILLAGE OF HAINESVILLE, ILLINOIS

## General Fund

### Schedule of Expenditures - Budget and Actual Year Ended April 30, 2013

	Final Budget	Actual	Variance from Final Budget Over (Under)
<b>General Government</b>			
<b>Personnel</b>			
Wages	\$ 173,900	166,921	(6,979)
Payroll Taxes	15,000	13,528	(1,472)
Personnel Benefits	5,400	5,400	
Retirement Benefits	15,000	11,678	(3,322)
<b>Total Personnel</b>	<b>209,300</b>	<b>197,527</b>	<b>(11,773)</b>
<b>Contractual Services</b>			
Maintenance	26,653	24,791	(1,862)
Professional Services	97,550	88,488	(9,062)
Insurance	27,700	27,407	(293)
Professional Development	8,863	6,772	(2,091)
Economic Incentive Agreement	37,600	38,249	649
Communication	6,607	5,563	(1,044)
<b>Total Contractual Services</b>	<b>204,973</b>	<b>191,270</b>	<b>(13,703)</b>
<b>Commodities</b>			
Office Supplies and Expenses	20,310	16,492	(3,818)
Computer Services and Supplies	9,300	8,688	(612)
Maintenance Supplies	610	393	(217)
Other	900	828	(72)
<b>Total Commodities</b>	<b>31,120</b>	<b>26,401</b>	<b>(4,719)</b>
<b>Total Current Expenditures</b>	<b>445,393</b>	<b>415,198</b>	<b>(30,195)</b>
<b>Capital Outlay</b>			
Bike Path	33,000	28,133	(4,867)
Other	32,000	34,668	2,668
Equipment	1,840		(1,840)
<b>Total Capital Outlay</b>	<b>66,840</b>	<b>62,801</b>	<b>(4,039)</b>
<b>Total General Government</b>	<b>512,233</b>	<b>477,999</b>	<b>(34,234)</b>
<b>Public Safety</b>			
<b>Emergency Management Agency</b>			
<b>Commodities</b>			
Office Supplies and Expenses	600	1,028	428
Maintenance Supplies	300	307	7
Computer Services and Supplies	200		(200)
<b>Total Commodities</b>	<b>1,100</b>	<b>1,335</b>	<b>235</b>
<b>Contractual Services</b>			
Dispatching	700		(700)
<b>Total Emergency Management Agency</b>	<b>1,800</b>	<b>1,335</b>	<b>(465)</b>

**VILLAGE OF HAINESVILLE, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual (Cont.)**  
**Year Ended April 30, 2013**

	Final Budget	Actual	Variance from Final Budget Over (Under)
Public Safety (Cont.)			
Police Protection			
Contractual Services			
Dispatching	61,000	60,570	(430)
Police Contract	662,000	661,549	(451)
Professional Development		5,203	5,203
Total Contractual Services	723,000	727,322	4,322
Total Public Safety	724,800	728,657	3,857
Total Expenditures	\$ 1,237,033	1,206,656	(30,377)

## **PROPRIETARY FUND TYPE**

## **ENTERPRISE FUNDS**

**VILLAGE OF HAINESVILLE, ILLINOIS****Public Works Funds**

Combining Schedule of Revenues, Expenses,  
and Changes in Net Position  
Year Ended April 30, 2013

	Streets & Sanitation	Water & Sewer	Total
Operating Revenues			
Charges for Services	\$ 166,838	837,418	1,004,256
Operating Expenses			
Personnel Service		124,999	124,999
Contractual Services	285,332	516,667	801,999
Commodities	14,210	38,916	53,126
Capital Outlay	65,586	(6,545)	59,041
Operating Expenses before Depreciation	365,128	674,037	1,039,165
Depreciation		172,507	172,507
Total Operating Expenses	365,128	846,544	1,211,672
Operating Loss	(198,290)	(9,126)	(207,416)
Nonoperating Revenue (Expense)			
Road and Bridge Tax	2,235		2,235
Investment Income		116	116
Interest Expense and Executory Costs	(28,328)		(28,328)
Total Nonoperating Revenues (Expenses)	(26,093)	116	(25,977)
Change in Net Position	\$ (224,383)	(9,010)	(233,393)
Net Position			
May 1			12,143,482
April 30			11,910,089

# **VILLAGE OF HAINESVILLE, ILLINOIS**

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

### **Schedule of Revenues and Expenses - Budget and Actual Year Ended April 30, 2013**

	Final Budget	Actual	Variance from Final Budget Over (Under)
<b>Operating Revenues</b>			
Charges for Services			
Garbage Charges	\$ 166,800	160,348	(6,452)
Yard Waste Stickers	5,500	6,490	990
<b>Total Operating Revenues</b>	<b>172,300</b>	<b>166,838</b>	<b>(5,462)</b>
<b>Operating Expenses</b>			
Contractual Services			
Maintenance Services	136,200	134,728	(1,472)
Garbage Contract	153,000	150,604	(2,396)
<b>Total Contractual Services</b>	<b>289,200</b>	<b>285,332</b>	<b>(3,868)</b>
<b>Commodities</b>			
Street Lighting	6,600	5,850	(750)
Equipment Rental	500	529	29
Julie Locates and Messages	3,500	1,891	(1,609)
Yard Waste Stickers	5,000	5,203	203
Maintenance Supplies	1,500	737	(763)
Other	750		(750)
<b>Total Commodities</b>	<b>17,850</b>	<b>14,210</b>	<b>(3,640)</b>
<b>Capital Outlay</b>			
Tree Planting	1,500	2,020	520
Landscape Beautification	18,980	24,233	5,253
Street Signs	1,000	5,432	4,432
Equipment	50,000	33,901	(16,099)
<b>Total Capital Outlay</b>	<b>71,480</b>	<b>65,586</b>	<b>(5,894)</b>
<b>Total Operating Expenses</b>	<b>378,530</b>	<b>365,128</b>	<b>(13,402)</b>
<b>Operating Loss</b>	<b>\$ (206,230)</b>	<b>(198,290)</b>	<b>7,940</b>

# **VILLAGE OF HAINESVILLE, ILLINOIS**

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

### **Schedule of Revenues and Expenses - Budget and Actual Year Ended April 30, 2013**

	Final Budget	Actual	Variance from Final Budget Over (Under)
<b>Operating Revenues</b>			
Charges for Services			
Water Sales	\$ 434,800	437,723	2,923
Sewer Charges	273,400	275,562	2,162
Miscellaneous	384,823	124,133	(260,690)
Net Operating Revenues	1,093,023	837,418	(255,605)
<b>Operating Expenses Excluding Depreciation</b>			
Personnel			
Wages	130,100	105,881	(24,219)
Payroll Taxes	9,500	8,478	(1,022)
Personnel Benefits	1,800	2,250	450
Retirement Benefits	11,000	8,390	(2,610)
Total Personnel	152,400	124,999	(27,401)
Contractual Services			
Engineering Services	40,000	50,601	10,601
Legal Services		4,300	4,300
Insurance	12,400	14,569	2,169
Water and Lift Station Services	42,200	47,984	5,784
Maintenance Services	235,250	122,771	(112,479)
Water Disposal	263,000	252,780	(10,220)
Electric Services	31,500	21,425	(10,075)
Professional Development	4,500	2,237	(2,263)
Total Contractual Services	628,850	516,667	(112,183)
Commodities			
Maintenance Supplies	3,950	3,913	(37)
Miscellaneous Office Expenses	6,120	5,835	(285)
Communication	5,680	6,250	570
Vehicle Expense	3,800	4,829	1,029
Office Supplies	9,350	5,032	(4,318)
Computer Software and Support	7,100	4,255	(2,845)
Other	1,500	8,802	7,302
Total Commodities	37,500	38,916	1,416
Total Current Expenses	818,750	680,582	(138,168)
Capital Outlay			
Building	48,000		(48,000)
Equipment		11,188	11,188
Watermain Improvements	3,000	188,700	185,700
Utilities	241,450	(11,194)	(252,644)
Total Capital Outlay	292,450	188,694	(103,756)
Less Amounts to Balance Sheet	(292,450)	(195,239)	97,211
Net Capital Outlays	-	(6,545)	(6,545)
Operating Expenses before Depreciation	818,750	674,037	(144,713)

(Cont.)

**VILLAGE OF HAINESVILLE, ILLINOIS**

Public Works Fund - Water & Sewer

Schedule of Revenues and Expenses - Budget and Actual (Cont.)  
Year Ended April 30, 2013

	Final Budget	Actual	Variance from Final Budget Over (Under)
Depreciation		172,507	(172,507)
Total Operating Expenses	818,750	846,544	27,794
Operating Income (Loss)	\$ 274,273	(9,126)	(283,399)

**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	2012	2011	2010	2009	2008
Assessed Valuation	\$61,909,340	74,523,547	85,623,172	89,598,982	92,261,700
Tax Rates					
Corporate	0.194	0.163	0.132	0.152	0.143
Police Protection	0.600	0.600	0.555	0.548	0.534
SSA					
	0.794	0.763	0.687	0.700	0.677
Tax Extension					
Corporate	\$ 120,104	121,473	113,023	136,190	131,934
Police Protection	371,456	447,141	475,209	491,002	492,677
SSA					22,120
	\$ 491,560	568,614	588,231	627,193	646,732
Collections		566,331	587,900	625,960	645,127
Collection Rate		99.60%	99.94%	99.80%	99.75%

2007	2006	2005	2004	2003
87,855,893	84,282,626	81,661,713	71,863,369	65,936,281
0.140	0.150	0.137	0.113	0.112
0.541	0.541	0.548	0.501	0.356
0.681	0.691	0.685	0.614	0.468
122,998	126,424	111,877	81,206	73,849
475,300	455,969	447,506	360,035	234,733
22,120	5,560	5,530	5,460	5,030
620,418	587,953	564,913	446,701	313,612
618,972	582,023	537,806	442,226	312,785
99.77%	98.99%	95.20%	99.00%	99.74%