

**Village of Hainesville,  
Illinois**

**Annual Financial Report**

**For the Year Ended  
April 30, 2009**

**Wolf & Company LLP**  
Certified Public Accountants

# VILLAGE OF HAINESVILLE, ILLINOIS

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VILLAGE OF HAINESVILLE, ILLINOIS

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**INDEPENDENT AUDITOR'S REPORT**



INDEPENDENT AUDITORS' REPORT

To the Board of Trustees  
Village of Hainesville, Illinois

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, budgetary comparison information for the General and Police Protection Funds, and the aggregate remaining fund information of the Village of Hainesville, Illinois (the Village) as of and for the year ended April 30, 2009, which collectively, comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of Hainesville as of April 30, 2009, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison information for the General and Police Protection Funds, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

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

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

*Wolf & Company LLP*

Oak Brook, Illinois  
November 24, 2009

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

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

**April 30, 2009**

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

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

**Financial Highlights**

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$17,659,339 (*net assets*). Of this amount, \$3,340,610 (*unrestricted net assets*) may be used to meet the Village's ongoing obligations to citizens and creditors.
- The Village's total net assets decreased by \$276,328. 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 \$298,956.
- As of the close of the current fiscal year, the Village's governmental funds reported combined fund balances of \$2,246,278. Of this amount, \$2,075,034 is available for spending at the Village's discretion (unreserved fund balance).
- At the end of the current fiscal year, the fund balance of the General Corporate Fund was \$2,081,329 or 142% of total General Fund expenditures during the current year.
- The Village's total debt increased by \$13,635 during the current fiscal year. A new bank loan of \$21,430 was obtained to finance the purchase of a police vehicle. Scheduled payments of \$7,795 were made on the Village's installment notes.

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

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

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

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**Government-Wide Financial Statements**

The government-wide financial statements (see pages 12 to 14) are designed to emulate the corporate sector in that all governmental and business-type activities are consolidated into columns which add to a total for the Primary Government. The focus of the Statement of Net Assets (see page 12) is designed to be similar to bottom line results for the Village and its governmental and business-type activities. This statement combines and consolidates the governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities (see pages 13 and 14) is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

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

**Fund Financial Statements**

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

The Governmental Funds (see pages 15 to 20) presentation is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the Budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the Fund Financial Statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith.

While the totals of the Proprietary Fund Financial Statements (see pages 21 to 23) is the same as the Business-type column on the Government-Wide Financial Statement, the Governmental Funds Total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 16 and 18). The flow of current financial resources will reflect loan proceeds and inter-fund transfers as other financing sources as well as capital expenditures and loan principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bonds and others) into the Governmental Activities column (in the Government-wide statements).

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

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

The following table reflects the condensed Statement of Net Assets:

**Table 1: Statement of Net Assets**  
**April 30, 2009 and 2008**  
**(in thousands)**

	Governmental Activities		Business-type Activities		Totals	
	2009	2008	2009	2008	2009	2008
<b>Assets</b>						
Current and Other Assets	\$ 3,012.5	3,239.4	1,411.1	1,240.4	4,423.6	4,479.8
Capital Assets	2,968.3	2,988.5	11,213.6	11,338.8	14,181.9	14,327.3
Total Assets	5,980.8	6,227.9	12,624.7	12,579.2	18,605.5	18,807.1
<b>Liabilities</b>						
Current Liabilities	711.7	718.6	155.2	95.0	866.9	813.6
Other Liabilities	24.1		55.1		79.2	
Total Liabilities	735.8	718.6	210.3	95.0	946.1	813.6
<b>Net Assets</b>						
Invested in Capital Assets, Net of Debt	2,933.9	2,967.7	11,213.6	11,338.7	14,147.5	14,306.4
Restricted for Maintenance of Roadways	171.2	100.6			171.2	100.6
Restricted for Settlement Agreements		900.0				900.0
Unrestricted	2,139.9	1,483.2	1,200.8	1,145.5	3,340.7	2,628.7
Total Net Assets	\$ 5,245.0	5,451.5	12,414.4	12,484.2	17,659.4	17,935.7

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

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

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The largest portion of the Village's net assets (80.1%) 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 (18.7%) is unrestricted assets. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The remaining assets (1.2%) are restricted for maintenance of roadways.

**Normal Impacts**

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

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

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

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

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

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

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

**Current Year Impacts**

The Village's \$.3 million decrease in combined net assets (which is the Village's bottom line) was the result of the governmental activities net assets decreasing by \$.2 million and the business-type activities net assets decreasing by \$.1 million. The General Fund decreased by \$268,722, mainly due to revenues being slightly under budget; the Police Protection Fund decrease was \$41,951 due to new leases for police vehicles and increase in police services; the Motor Fuel Tax Fund increase was \$62,891 due to lower than expected road projects.

The net assets of the Village are generally not restricted. The balance of governmental unrestricted net assets, \$3,340,610, may be used to meet the Village's ongoing obligations to citizens and creditors.

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

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

**Changes in Net Assets**

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

**Table 2: Statement of Changes in Net Assets  
Fiscal Years Ended April 30, 2009 and 2008  
(in thousands)**

	Governmental Activities		Business-type Activities		Totals	
	2009	2008	2009	2008	2009	2008
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ 110.1	173.1	927.2	859.9	1,037.3	1,033.0
Operating Grants and Contributions	98.8	39.8	5.4	7.2	104.2	47.0
General Revenues:						
Property Taxes	619.0	620.9			619.0	620.9
Utility Taxes	140.6	147.9			140.6	147.9
Franchise Taxes	215.5	216.1			215.5	216.1
Income Taxes	322.0	316.7			322.0	316.7
Sales Taxes	254.4	215.6			254.4	215.6
Other Taxes	90.4	97.2			90.4	97.2
Investment Income	28.0	75.0	15.9	22.2	43.9	97.2
	<u>1,878.8</u>	<u>1,902.3</u>	<u>948.5</u>	<u>889.3</u>	<u>2,827.3</u>	<u>2,791.6</u>
<b>Expenses</b>						
General Government	1,374.9	855.7			1,374.9	855.7
Public Safety	573.6	538.2			573.6	538.2
Public Works	135.0				135.0	
Interest Expense	1.8				1.8	
Water & Sewer			584.1	624.1	584.1	624.1
Streets & Sanitation			434.2	289.0	434.2	289.0
	<u>2,085.3</u>	<u>1,393.9</u>	<u>1,018.3</u>	<u>913.1</u>	<u>3,103.6</u>	<u>2,307.0</u>
Change in Net Assets	(206.5)	508.4	(69.8)	(23.8)	(276.3)	484.6
Net Assets, Beginning	<u>5,451.5</u>	<u>4,943.1</u>	<u>12,484.2</u>	<u>12,508.0</u>	<u>17,935.7</u>	<u>17,451.1</u>
Net Assets, Ending	<u>\$5,245.0</u>	<u>5,451.5</u>	<u>12,414.4</u>	<u>12,484.2</u>	<u>17,659.4</u>	<u>17,935.7</u>

**Increase/Decrease in Village Approved Rates** – While certain tax rates are set by statute, the Village Board has significant authority to impose and periodically increase/decrease rates (water, wastewater, impact fees, building fees, etc).

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

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

**Changes in Net Assets**

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

**Table 2: Statement of Changes in Net Assets  
Fiscal Years Ended April 30, 2009 and 2008  
(in thousands)**

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	2009	2008	2009	2008	2009	2008
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ 110.1	173.1	927.2	859.9	1,037.3	1,033.0
Operating Grants and Contributions	98.8	39.8	5.4	7.2	104.2	47.0
General Revenues:						
Property Taxes	619.0	620.9			619.0	620.9
Utility Taxes	140.6	147.9			140.6	147.9
Franchise Taxes	215.5	216.1			215.5	216.1
Income Taxes	322.0	316.7			322.0	316.7
Sales Taxes	254.4	215.6			254.4	215.6
Other Taxes	90.4	97.2			90.4	97.2
Investment Income	28.0	75.0	15.9	22.2	43.9	97.2
	<u>1,878.8</u>	<u>1,902.3</u>	<u>948.5</u>	<u>889.3</u>	<u>2,827.3</u>	<u>2,791.6</u>
<b>Expenses</b>						
General Government	1,374.9	855.7			1,374.9	855.7
Public Safety	573.6	538.2			573.6	538.2
Public Works	135.0				135.0	
Interest Expense	1.8				1.8	
Water & Sewer			584.1	624.1	584.1	624.1
Streets & Sanitation			434.2	289.0	434.2	289.0
	<u>2,085.3</u>	<u>1,393.9</u>	<u>1,018.3</u>	<u>913.1</u>	<u>3,103.6</u>	<u>2,307.0</u>
Change in Net Assets	(206.5)	508.4	(69.8)	(23.8)	(276.3)	484.6
Net Assets, Beginning	<u>5,451.5</u>	<u>4,943.1</u>	<u>12,484.2</u>	<u>12,508.0</u>	<u>17,935.7</u>	<u>17,451.1</u>
Net Assets, Ending	<u>\$5,245.0</u>	<u>5,451.5</u>	<u>12,414.4</u>	<u>12,484.2</u>	<u>17,659.4</u>	<u>17,935.7</u>

**Increase/Decrease in Village Approved Rates** – While certain tax rates are set by statute, the Village Board has significant authority to impose and periodically increase/decrease rates (water, wastewater, impact fees, building fees, etc).

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

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There are eight basic impacts on revenues and expenses as reflected below.

**Normal Impacts**

**Revenues:**

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

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

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

**Market Impacts on Investment Income** – Market conditions may cause investment income to fluctuate.

**Expenses:**

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

**Increase in Authorized Personnel** – Changes in service demand may cause the Village to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent the most significant of the Village's operating costs.

**Salary Increases** (annual adjustments/merit) – The ability to attract and retain (employees) resources requires the Village to strive to approach a competitive salary structure in the marketplace.

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

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

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**Current Year Impacts**

*Governmental Activities*

**Revenue:**

For the fiscal year ended April 30, 2009, revenues from the governmental activities totaled \$1,878,922. Property tax revenues are the Village's largest revenue source, coming in at \$618,972 with state income tax of \$322,043 and sales and use tax receipts of \$254,450. Franchise and utility taxes are \$215,528 and \$140,611, respectively.

**Expenses:**

For the fiscal year ended April 30, 2009, expenses for governmental activities totaled \$2,085,423.

*Business-type Activities*

**Revenue:**

For the fiscal year ended April 30, 2009, revenues from the business-type activities totaled \$948,520.

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

**Expenses:**

For the fiscal year ended April 30, 2009, expenses for business-type activities totaled \$1,018,347, including depreciation and amortization of \$131,361.

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

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

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

**Governmental Funds**

At April 30, 2009, the governmental funds (as presented on the balance sheet on page 15) reported a combined fund balance of \$2,246,278.

**General Fund Budgetary Highlights**

The 2009 fiscal year budget, as originally approved by the Village Board, was not amended during the current year. Below is a table that reflects the original and actual revenues and expenditures for the General Fund.

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

	Original/Final Budget	Actual
Revenues		
Taxes	\$ 508.1	491.9
Intergovernmental	550.5	512.7
Other	291.6	191.4
Total	1,350.2	1,196.0
Expenditures		
General Government	1,435.0	1,460.3
Emergency Management	43.8	4.4
Total	1,478.8	1,464.7
Change in Fund Balance	\$ (128.6)	(268.7)

The General Fund's actual revenues were under budget by \$154,215 (11.4%) and actual expenditures were \$14,115 (1%) less than the budgeted amount. Intergovernmental revenues received were under budget by \$37,799 (6.9%), fees, licenses and permits were under by \$43,620 (36.7%), and investment income was under budget by \$33,589 (56.0%). The primary expenditure budget variances were in General Government Personnel (\$153,009 under budget), General Government Contractual Services (\$110,198 under budget), General Government Legal Settlements (\$300,505 over budget) and Emergency Management Capital Outlay (\$29,300 under budget).

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

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**Capital Assets**

At the end of Fiscal Year 2009, the Village had a combined total of capital assets of \$14.182 million invested in a broad range of capital assets including land, buildings, vehicles, water mains, storm sewers and sanitary sewer lines. (See Table 4 below).

**Table 4: Schedule of Capital Assets  
April 30, 2009  
(in thousands)**

	Governmental Activities	Business-type Activities	Total
Land	\$ 99.0	3,998.9	4,097.9
Buildings and Improvements	786.7		786.7
Land Improvements	168.4		168.4
Office Furniture and Equipment	58.4		58.4
Police Equipment	66.4		66.4
Other Assets	37.2	69.2	106.4
Infrastructure	1,752.2		1,752.2
Water and Sewer System		5,453.3	5,453.3
Storm System		1,692.1	1,692.1
	<u>\$ 2,968.3</u>	<u>11,213.5</u>	<u>14,181.8</u>

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

	Governmental Activities	Business-type Activities	Total
Beginning Balance, net	\$ 2,988.5	11,338.7	14,327.2
Additions			
Non-depreciable Assets			
Depreciable Assets	147.4	6.2	153.6
Depreciation Expense	(167.6)	(131.4)	(299.0)
Ending Balance	<u>\$ 2,968.3</u>	<u>11,213.5</u>	<u>14,181.8</u>

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

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

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**Debt Outstanding**

At April 30, 2009, the Village had two installment notes outstanding. Both were used to finance the purchase of police vehicles. The notes carried interest rates of 5.75% and 6.25%. The total outstanding balance for both notes is \$34,433.

As presented above, the Village has committed itself to strong financial planning with a minor amount of debt. Additional information on the Village's long-term debt can be found in Note 4 to the financial statements.

**Economic Factors**

The current economy has affected the commercial development to come to a stop thus causing the anticipated revenues associated with new development to not come in. The Board of Trustees currently is in the process of updating the Village's Comprehensive Plan to help attract new development. The Village is being aggressive in reducing operating expenses by limiting the amount of work that is outsourced. This will enable the Village to maintain normal operations even with the slowed down economy.

**CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT**

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

## **BASIC FINANCIAL STATEMENTS**

VILLAGE OF HAINESVILLE, ILLINOIS

Statement of Net Assets  
April 30, 2009

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Investments	\$ 1,948,351	1,302,986	3,251,337
Restricted Cash and Investments	171,244		171,244
Receivables			
Property Taxes	646,731		646,731
Other Taxes	210,847		210,847
Customer Accounts	33,169	110,244	143,413
Internal Balances	2,130	(2,130)	
Total Current Assets	3,012,472	1,411,100	4,423,572
<b>Capital Assets</b>			
Land	99,000	3,998,939	4,097,939
Other Capital Assets, Net of Depreciation	2,869,320	7,214,659	10,083,979
Total Capital Assets	2,968,320	11,213,598	14,181,918
Total Assets	5,980,792	12,624,698	18,605,490
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable and Accrued Expenses	32,778	152,714	185,492
Deferred Revenue	14,414		14,414
Deferred Revenue - Property Tax	646,731		646,731
Compensated Absences Payable	7,444	2,527	9,971
Installment Notes Payable	10,335		10,335
Total Current Liabilities	711,702	155,241	866,943
<b>Noncurrent Liabilities</b>			
Installment Notes Payable	24,098		24,098
Special Customer Credit		55,110	55,110
Total Noncurrent Liabilities	24,098	55,110	79,208
Total Liabilities	735,800	210,351	946,151
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	2,944,222	11,213,598	14,157,820
Restricted for Maintenance of Roadways	171,244		171,244
Unrestricted	2,129,526	1,200,749	3,330,275
Total Net Assets	\$ 5,244,992	12,414,347	17,659,339

See accompanying Notes to the Financial Statements.

VILLAGE OF HAINESVILLE, ILLINOIS

Statement of Activities  
For the Year Ended April 30, 2009

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government			
Governmental Activities			
General Government	\$ 1,374,910	76,734	
Public Safety	573,624	33,386	98,839
Public Works	135,064		
Interest on Long-Term Debt	1,825		
Total Governmental Activities	<u>2,085,423</u>	<u>110,120</u>	<u>98,839</u>
Business-Type Activities			
Water & Sewer	584,136	760,273	
Streets & Sanitation	434,211	166,952	5,441
Total Business-Type Activities	<u>1,018,347</u>	<u>927,225</u>	<u>5,441</u>
Total Primary Government	<u>\$ 3,103,770</u>	<u>1,037,345</u>	<u>104,280</u>

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

Change in Net Assets

Net Assets  
 May 1 (restated)

April 30

See accompanying Notes to the Financial Statements.

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-Type Activities	Total
(1,298,176)		(1,298,176)
(441,399)		(441,399)
(135,064)		(135,064)
(1,825)		(1,825)
(1,876,464)	-	(1,876,464)
	176,137	176,137
	(261,818)	(261,818)
-	(85,681)	(85,681)
(1,876,464)	(85,681)	(1,962,145)
618,972		618,972
140,611		140,611
215,528		215,528
322,043		322,043
254,450		254,450
89,871		89,871
521		521
27,967	15,854	43,821
1,669,963	15,854	1,685,817
(206,501)	(69,827)	(276,328)
5,451,493	12,484,174	17,935,667
5,244,992	12,414,347	17,659,339

VILLAGE OF HAINESVILLE, ILLINOIS

Governmental Funds

Balance Sheet  
April 30, 2009

	General Fund	Police Protection Fund	Motor Fuel Tax Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 1,955,228		164,367	2,119,595
Receivables				
Property Taxes	154,054	492,677		646,731
Other Taxes	203,970		6,877	210,847
Permits	33,169			33,169
Due from Other Funds	8,425			8,425
<b>Total Assets</b>	<b>\$ 2,354,846</b>	<b>492,677</b>	<b>171,244</b>	<b>3,018,767</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 32,778			32,778
Due to Other Funds		6,295		6,295
Deferred Revenue	14,414			14,414
Deferred Property Tax Revenue	154,054	492,677		646,731
Deferred Other Taxes	72,271			72,271
<b>Total Liabilities</b>	<b>273,517</b>	<b>498,972</b>	<b>-</b>	<b>772,489</b>
<b>Fund Balances</b>				
Reserved for Maintenance of Roadways			171,244	171,244
Unreserved	2,081,329	(6,295)		2,075,034
<b>Total Fund Balances</b>	<b>2,081,329</b>	<b>(6,295)</b>	<b>171,244</b>	<b>2,246,278</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,354,846</b>	<b>492,677</b>	<b>171,244</b>	<b>3,018,767</b>

See accompanying Notes to the Financial Statements.

VILLAGE OF HAINESVILLE, ILLINOIS

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

April 30, 2009

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Total Fund Balances - Governmental Funds	\$ 2,246,278
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	2,968,320
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.	72,271
Some liabilities reported in the Statement of Net Assets do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds. These activities consist of:	
Compensated absences payable	(7,444)
Installment notes payable	<u>(34,433)</u>
Net Assets of Governmental Activities	<u>\$ 5,244,992</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, 2009

	General Fund	Police Protection Fund	Motor Fuel Tax Fund	Total Governmental Funds
<b>Revenues</b>				
Taxes	\$ 491,853	475,300	89,871	1,057,024
Intergovernmental	512,701			512,701
Fines and Forfeitures		33,386		33,386
Fees, Licenses and Permits	75,140			75,140
Grants	85,000			85,000
Investment Income	26,411		1,556	27,967
Miscellaneous	4,858	10,575		15,433
<b>Total Revenues</b>	<b>1,195,963</b>	<b>519,261</b>	<b>91,427</b>	<b>1,806,651</b>
<b>Expenditures</b>				
<b>Current</b>				
General Government	1,311,951			1,311,951
Public Safety	4,425	548,412		552,837
<b>Total Current Expenditures</b>	<b>1,316,376</b>	<b>548,412</b>	<b>-</b>	<b>1,864,788</b>
<b>Debt Service</b>				
Principal		7,795		7,795
Interest		1,825		1,825
Capital Outlay	148,309	24,610	28,536	201,455
<b>Total Expenditures</b>	<b>1,464,685</b>	<b>582,642</b>	<b>28,536</b>	<b>2,075,863</b>
Excess (Deficiency) of Revenues over Expenditures	(268,722)	(63,381)	62,891	(269,212)
<b>Other Financing Sources</b>				
Proceeds from Installment Note		21,430		21,430
<b>Net Change in Fund Balance</b>	<b>(268,722)</b>	<b>(41,951)</b>	<b>62,891</b>	<b>(247,782)</b>
<b>Fund Balances</b>				
May 1 (restated)	2,350,051	35,656	108,353	2,494,060
April 30	\$ 2,081,329	(6,295)	171,244	2,246,278

See accompanying Notes to the Financial Statements.

**VILLAGE OF HAINESVILLE, ILLINOIS**

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

For the Year Ended April 30, 2009

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Net Change in Fund Balances - Total Governmental Funds	\$ (247,782)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures; however, they are capitalized in the Statement of Net Assets.	147,415
Depreciation is not considered an expenditure in the governmental funds.	(167,595)
Tax revenues in the Statement of Activities that do not provide current financial resources are reported as deferred revenue in the governmental funds.	72,271
Governmental funds report loan proceeds as Other Financing Sources; however they are reported as liabilities in the Statement of Net Assets.	(21,430)
Repayment of principal on long-term debt is an expenditure in governmental funds, but reduces long-term liabilities in the Statement of Net Assets.	7,795
Some expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Decrease in compensated absences	<u>2,825</u>
Change in Net Assets of Governmental Activities	<u>\$ (206,501)</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, 2009

	Final Budget	Actual	Variance from Final Budget Over (Under)
Revenues			
Taxes	\$ 508,118	491,853	(16,265)
Intergovernmental	550,500	512,701	(37,799)
Fees, Licenses and Permits	118,760	75,140	(43,620)
Interest Income	60,000	26,411	(33,589)
Grants	100,000	85,000	(15,000)
Miscellaneous	12,800	4,858	(7,942)
Total Revenues	<u>1,350,178</u>	<u>1,195,963</u>	<u>(154,215)</u>
Expenditures			
General Government			
Personnel	322,000	168,991	(153,009)
Contractual Services	322,300	212,102	(110,198)
Commodities	31,350	30,353	(997)
Legal Settlement	600,000	900,505	300,505
Capital Outlay	159,300	148,309	(10,991)
Total General Government Division	<u>1,434,950</u>	<u>1,460,260</u>	<u>25,310</u>
Emergency Management Agency			
Contractual Services	10,050	2,184	(7,866)
Commodities	4,500	2,241	(2,259)
Capital Outlay	29,300		(29,300)
Total Emergency Management Agency	<u>43,850</u>	<u>4,425</u>	<u>(39,425)</u>
Total Expenditures	<u>1,478,800</u>	<u>1,464,685</u>	<u>(14,115)</u>
Net Change in Fund Balance	<u>\$ (128,622)</u>	<u>(268,722)</u>	<u>(140,100)</u>
Fund Balance			
May 1 (restated)		<u>2,350,051</u>	
April 30		<u>2,081,329</u>	

See accompanying Notes to the Financial Statements.

VILLAGE OF HAINESVILLE, ILLINOIS

Police Protection Fund

Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2009

	Final Budget	Actual	Variance from Final Budget Over (Under)
Revenues			
Taxes	\$ 475,300	475,300	
Fines and Forfeitures	50,500	33,386	(17,114)
Miscellaneous		10,575	10,575
Total Revenues	<u>525,800</u>	<u>519,261</u>	<u>(6,539)</u>
Expenditures			
Public Safety			
Personnel	482,000	374,312	(107,688)
Contractual Services	156,200	136,543	(19,657)
Commodities	68,100	37,557	(30,543)
Debt Service			
Principal		7,795	7,795
Interest		1,825	1,825
Capital Outlay	6,500	24,610	18,110
Total Expenditures	<u>712,800</u>	<u>582,642</u>	<u>(130,158)</u>
Excess (Deficiency) of Revenues over Expenditures	(187,000)	(63,381)	123,619
Other Financing Sources			
Proceeds from Installment Note		21,430	21,430
Net Change in Fund Balance	<u>\$ (187,000)</u>	(41,951)	<u>145,049</u>
Fund Balance			
May 1		<u>35,656</u>	
April 30		<u>(6,295)</u>	

See accompanying Notes to the Financial Statements.

VILLAGE OF HAINESVILLE, ILLINOIS

Proprietary Fund - Public Works Fund

Statement of Net Assets

April 30, 2009

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Assets	
Current Assets	
Cash and Cash Equivalents	\$ 1,302,986
Accounts Receivable	110,244
Total Current Assets	<u>1,413,230</u>
Noncurrent Assets	
Land	3,998,939
Capital Assets at Cost	8,391,599
Less Accumulated Depreciation	(1,176,940)
Total Noncurrent Assets	<u>11,213,598</u>
Total Assets	<u>12,626,828</u>
Liabilities	
Current Liabilities	
Accounts Payable	151,614
Due to Other Funds	2,130
Water Deposits	1,100
Compensated Absences	2,527
Total Current Liabilities	<u>157,371</u>
Noncurrent Liabilities	
Special Customer Credit	<u>55,110</u>
Total Liabilities	<u>212,481</u>
Net Assets	
Invested in Capital Assets	11,213,598
Unrestricted	<u>1,200,749</u>
Total Net Assets	<u>\$ 12,414,347</u>

See accompanying Notes to the Financial Statements.

**VILLAGE OF HAINESVILLE, ILLINOIS**

Proprietary Fund - Public Works Fund

Statement of Revenues, Expenses  
and Changes in Net Assets  
Year Ended April 30, 2009

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Operating Revenues	
Charges for Services	<u>\$ 927,225</u>
Operating Expenses	
Operations	886,986
Depreciation	<u>131,361</u>
Total Operating Expenses	<u>1,018,347</u>
Operating Loss	<u>(91,122)</u>
Nonoperating Revenues	
Road and Bridge Tax	5,441
Investment Income	<u>15,854</u>
Total Nonoperating Revenues	<u>21,295</u>
Change in Net Assets	(69,827)
Net Assets	
Beginning of Year	<u>12,484,174</u>
End of Year	<u><u>\$ 12,414,347</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, 2009

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Cash Flows from Operating Activities	
Receipts from Customers	\$ 889,421
Payments to Suppliers	(679,208)
Payments to Employees	(90,951)
	<u>119,262</u>
Cash Flows from Investing Activities	
Earnings on Investments	<u>15,854</u>
Cash Flows from Non-Capital Financing Activities	
Receipts from Taxes	<u>5,441</u>
Cash Flows from Capital and Related Financing Activities	
Acquisition of Capital Assets	<u>(6,230)</u>
Net Increase in Cash and Cash Equivalents	134,327
Cash and Cash Equivalents	
May 1	<u>1,168,659</u>
April 30	<u>\$ 1,302,986</u>
Reconciliation of Operating Loss to Net Cash	
Provided by Operating Activities	
Operating Loss	\$ (91,122)
Adjustments to Reconcile Operating Loss to Net Cash	
Provided by Operating Activities	
Depreciation	131,361
Changes in Assets and Liabilities	
Increase in Accounts Receivable	(35,436)
Increase in Current Liabilities	116,827
Decrease in Special Customer Credit	(2,368)
	<u>\$ 119,262</u>

See accompanying Notes to the Financial Statements.

## VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2009

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### 1. Summary of Significant Accounting Policies

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

The Village employs one full-time police chief, four full-time officers, one full-time Police Records Clerk, and one full-time public works supervisor. All other employees are hired on a part-time basis.

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

#### A. Reporting Entity

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

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

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

#### B. Basis of Presentation

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

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

The statement of net assets and the statement of activities display information about the Village as a whole. In the government-wide statement of net assets, both the governmental and business-type activities columns are presented on a consolidated basis by column. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The government-wide statement of activities reflects both the direct expenses and net cost of each function of the Village's governmental activities and business-like activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are

## VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements

April 30, 2009

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### 1. Summary of Significant Accounting Policies

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

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## VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2009

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

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

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

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

##### *Fund Financial Statements*

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

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

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

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

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

## VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2009

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

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

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

### *Fund Financial Statements*

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

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

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

## VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2009

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

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

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

### Governmental Funds

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

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

**Police Protection Fund** – The Police Protection Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. This fund is subsidized by the General Fund since the tax levy is insufficient to pay all of the necessary expenditures for police protection.

### Proprietary Fund

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

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

VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2009

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1. Summary of Significant Accounting Policies (Cont.)

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

*Fund Financial Statements (Cont.)*

Proprietary Fund (Cont.)

The Village reports the following major proprietary fund:

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

There are no other proprietary funds.

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, 2009, but which were not considered available, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met and recreation program fees received in advance are also recorded as deferred revenue.

E. Capital Assets

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

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

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

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

## VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2009

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

#### F. Cash and Investments

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

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

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

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

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

## VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2009

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

#### G. Fund Equity

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

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

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

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

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

#### H. Long-Term Liabilities

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

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

## VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2009

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

#### I. Property Taxes

Property taxes for 2008 attach as an enforceable lien on January 1, 2008, 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, 2009 and September 1, 2009. 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 2008 tax levy is used to fund operations of the 2009-2010 fiscal year, the revenue has been deferred at April 30, 2009.

#### J. Accumulated Unpaid Compensated Absences

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

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

#### K. Use of Estimates

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

#### L. Budgetary Data

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

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

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

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

# VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2009

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1. Summary of Significant Accounting Policies (Cont.)

M. Excess of Expenditures over Budget

The following fund had an excess of actual expenditures over final budget for the year ended April 30, 2009:

Public Works - Streets & Sanitation	<u>\$ 60,761</u>
-------------------------------------	------------------

2. Cash and Investments

A. Cash

The carrying amount of cash was \$1,683,757 at April 30, 2009, while the bank balances were \$1,755,724. Bank balances were either insured by the Federal Deposit Insurance Corporation (FDIC) for \$250,000, or collateralized with securities of the U.S. Government or with letters of credit issued by the Federal Home Loan Bank held in the Village's name by financial institutions acting as the Village's agent.

B. Investments

The Illinois Funds Money Market Fund is an external investment pool developed and implemented in 1975 by the Illinois General Assembly under the jurisdiction of the Illinois State Treasurer, who has regulatory oversight for the pool. The Fund is not registered with the SEC and has an affirmed AAAM Standard & Poor's credit quality rating. The fair value of the positions in the pool is the same as the value of the pool shares. At year end, the Village had \$1,738,824 in Illinois Funds earning a 0.268% 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, 2009

3. Capital Assets

A summary of changes in the Village's capital assets for the period May 1, 2008 through April 30, 2009 follows. Total depreciation expense for the year was \$167,595 for governmental activities and \$131,361 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	983,133	9,301		992,434
Land Improvements	69,898	113,776		183,674
Office Furniture and Equipment	123,977			123,977
Police Equipment	78,236	24,338		102,574
Other Assets	59,884			59,884
Infrastructure	2,430,436			2,430,436
Total Capital Assets Being Depreciated	3,745,564	147,415	-	3,892,979
Less Accumulated Depreciation	856,064	167,595		1,023,659
Total Capital Assets Being Depreciated, Net	2,889,500	(20,180)	-	2,869,320
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 2,988,500</b>	<b>(20,180)</b>	<b>-</b>	<b>2,968,320</b>

The beginning balances of Building Improvements and Infrastructure were adjusted to reflect the proper classification of an asset at May 1, 2008. Building Improvements was increased by \$39,900 and Infrastructure was reduced by the same amount. The adjustment has no effect on beginning net assets.

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

General Government	\$ 40,552
Public Safety	20,515
Public Works	<u>106,528</u>
	<u>\$ 167,595</u>

VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2009

3. Capital Assets (Cont.)

	Beginning Balance	Additions	Reductions	Ending Balance
BUSINESS-TYPE ACTIVITIES				
Capital Assets Not Being Depreciated				
Land	\$ 3,998,939			3,998,939
Capital Assets Being Depreciated				
Water and Sewer System	6,329,798			6,329,798
Storm System	1,938,622			1,938,622
Other Assets	116,949	6,230		123,179
Total Capital Assets Being Depreciated	8,385,369	6,230	-	8,391,599
Less Accumulated Depreciation	1,045,579	131,361		1,176,940
Total Capital Assets Being Depreciated, Net	7,339,790	(125,131)	-	7,214,659
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	\$ 11,338,729	(125,131)	-	11,213,598

4. Long-Term Debt

*Notes Payable - Bank*

\$21,603 Installment note payable to First Midwest Bank for the purchase of a 2008 police squad car, dated March 3, 2008, due in monthly installments of \$505 including interest at 5.75%, with a final maturity of March 5, 2012. The note is collateralized by the vehicle. The outstanding balance due at April 30, 2009 was \$15,806.

\$21,430 Installment note payable to First Midwest Bank for the purchase of a 2009 police squad car, dated September 30, 2008, due in monthly installments of \$506 including interest at 6.25%, with a final maturity of October 5, 2012. The note is collateralized by the vehicle. The outstanding balance due at April 30, 2009 was \$18,627.

Future maturities of principal and interest are as follows:

Year Ending April 30,	Principal Due	Interest Due	Total Due
2010	\$ 10,335	1,792	12,127
2011	10,972	1,155	12,127
2012	10,636	482	11,118
2013	2,490	39	2,529
	<u>\$ 34,433</u>	<u>3,468</u>	<u>37,901</u>

**VILLAGE OF HAINESVILLE, ILLINOIS**

Notes to the Financial Statements  
 April 30, 2009

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4. Long-Term Debt (Cont.)

*Notes Payable – Bank (Cont.)*

Long-term debt activity for the year ended April 30, 2009 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes Payable - Bank	\$ 20,798	21,430	7,795	34,433	10,335

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. The State approved the repair of roads in Deerpoint and the majority of this repair was completed during the prior fiscal year. The completion of this work took place in the current fiscal year totaling \$28,536.

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 \$102,635, including \$33,028 in the current year.

8. Intergovernmental Agreements

The Village has terminated its intergovernmental agreement with the Village of Round Lake Park to provide cooperative police services for the Village. This termination was completed with a one-time termination contract settlement of \$300,000, paid in the year ending April 30, 2009.

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 \$55,110.

## VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2009

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### 9. Defined Benefit Pension Plan

#### Illinois Municipal Retirement

##### *Plan Description*

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

##### *Funding Policy*

As set by statute, the Village's plan members are required to contribute 4.50% of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2008 was 9.60% 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 2008, the Village's annual pension cost of \$15,050 for the Regular 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>
12/31/2008	\$ 15,050	100%	0
12/31/2007			0
12/31/2006			0

The required contribution for 2008 was determined as part of the December 31, 2006 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2006 included (a) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the December 31, 2008 valuation was 28 years.

VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements  
 April 30, 2009

9. Defined Benefit Pension Plan (Cont.)

Illinois Municipal Retirement

*Funded Status and Funding Progress*

As of December 31, 2008, the most recent actuarial valuation date, the plan was 29.19% funded. The actuarial accrued liability for benefits was \$82,201 and the actuarial value of assets was \$23,991, resulting in an underfunded actuarial accrued liability (UAAL) of \$58,210. The covered payroll (annual payroll of active employees covered by the plan) was \$156,767 and the ratio of UAAL to the covered payroll was 37.13%.

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 Advances

Interfund advances as of April 30, 2009 were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Public Works Fund	\$ 2,130
General Fund	Police Protection Fund	<u>6,295</u>
		<u>\$ 8,425</u>

The Public Works Fund collects the motor vehicle license revenue monthly and then remits that revenue to the general fund. Due to the timing of the collection at year end there is a interfund balance recorded on the balance sheet.

11. Prior Period Restatements

Beginning fund balances/net assets were adjusted as indicated below:

	General Fund	Motor Fuel Tax Fund	Net Assets Governmental Activities
Balance as Reported, April 30, 2008	\$ 2,164,403	100,643	5,899,353
Adjustments			
To properly recognize tax receivables and deferrals at April 30, 2008	162,376	7,710	170,086
To remove long-term liability from fund statements	23,272		23,272
To recognize loan balance at April 30, 2008 in statement of net assets			(20,798)
To properly recognize deferred property taxes at April 30, 2008			<u>(620,420)</u>
Balance as Restated, May 1, 2008	<u>\$ 2,350,051</u>	<u>108,353</u>	<u>5,451,493</u>

## VILLAGE OF HAINESVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2009

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### 12. Accounting Pronouncements

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

Statement No. 53, *Accounting and Financial Reporting for Derivatives Instruments*. This Statement clarifies definitions of financial derivative products and standardizes their measurement and reporting. The Village will be required to implement this Statement for the year ended April 30, 2011. Currently, the Village has no derivative instruments.

Statement No. 54, *Fund Balance Reporting for Governmental Fund Type Definitions*. This Statement was issued to standardize definitions of fund balance reporting, including new criteria and classifications of restricted and non-restricted balances. The Village will be required to implement this Statement for the year ending April 30, 2012.

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

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

**VILLAGE OF HAINESVILLE, ILLINOIS**

Required Supplementary Information

Illinois Municipal Retirement Fund

April 30, 2009

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*Schedule of Funding Progress*

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
12/31/2008	\$ 23,991	82,201	58,210	29.19 %	156,767	37.13 %
12/31/2007	N/A					
12/31/2006	N/A					

N/A – The Village did not previously participate in the Illinois Municipal Retirement Fund.

**INDIVIDUAL FUND FINANCIAL SCHEDULES**

**GOVERNMENTAL FUND TYPES**

VILLAGE OF HAINESVILLE, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual  
Year Ended April 30, 2009

	Final Budget	Actual	Variance from Final Budget Over (Under)
Taxes			
Property	\$ 145,118	143,672	(1,446)
Utility	130,000	132,653	2,653
Franchise	233,000	215,528	(17,472)
Total Taxes	<u>508,118</u>	<u>491,853</u>	<u>(16,265)</u>
Intergovernmental			
Income Tax	330,000	275,260	(54,740)
Sales Tax	220,000	236,920	16,920
Personal Property Replacement Tax	500	521	21
Total Intergovernmental	<u>550,500</u>	<u>512,701</u>	<u>(37,799)</u>
Fees, Licenses and Permits			
Vehicle Licenses	42,000	39,699	(2,301)
Other Licenses	12,560	11,795	(765)
Building Permits and Variances	64,200	23,646	(40,554)
Total Fees, Licenses and Permits	<u>118,760</u>	<u>75,140</u>	<u>(43,620)</u>
Interest Income	<u>60,000</u>	<u>26,411</u>	<u>(33,589)</u>
Grants	<u>100,000</u>	<u>85,000</u>	<u>(15,000)</u>
Miscellaneous			
Contributions	5,000	3,264	(1,736)
Miscellaneous	7,800	1,594	(6,206)
Total Miscellaneous	<u>12,800</u>	<u>4,858</u>	<u>(7,942)</u>
Total Revenues	<u>\$ 1,350,178</u>	<u>1,195,963</u>	<u>(154,215)</u>

VILLAGE OF HAINESVILLE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual  
Year Ended April 30, 2009

	Final Budget	Actual	Variance from Final Budget Over (Under)
General Government			
Personnel			
Wages	\$ 279,000	146,011	(132,989)
Payroll Taxes	22,000	11,733	(10,267)
Personnel Benefits	6,000	5,010	(990)
Retirement Benefits	15,000	6,237	(8,763)
Total Personnel	<u>322,000</u>	<u>168,991</u>	<u>(153,009)</u>
Contractual Services			
Maintenance	53,500	20,732	(32,768)
Professional Services	160,500	126,748	(33,752)
Insurance	20,000	13,116	(6,884)
Professional Development	27,000	10,738	(16,262)
Economic Incentive Agreement	50,000	33,028	(16,972)
Communication	11,300	7,740	(3,560)
Total Contractual Services	<u>322,300</u>	<u>212,102</u>	<u>(110,198)</u>
Commodities			
Office Supplies and Expenses	15,350	14,887	(463)
Computer Services and Supplies	12,500	13,977	1,477
Maintenance Supplies	2,000	585	(1,415)
Other	1,500	904	(596)
Total Commodities	<u>31,350</u>	<u>30,353</u>	<u>(997)</u>
Legal Settlement	600,000	900,505	300,505
Total Current Expenditures	<u>1,275,650</u>	<u>1,311,951</u>	<u>36,301</u>
Capital Outlay			
Bike Path	129,000	113,777	(15,223)
Other	30,300	34,532	4,232
Total Capital Outlay	<u>159,300</u>	<u>148,309</u>	<u>(10,991)</u>
Total General Government	<u>1,434,950</u>	<u>1,460,260</u>	<u>25,310</u>
Emergency Management Agency			
Contractual Services			
Maintenance	3,600	225	(3,375)
Professional Development	3,150	443	(2,707)
Communication	3,300	1,516	(1,784)
Total Contractual Services	<u>10,050</u>	<u>2,184</u>	<u>(7,866)</u>

(Cont.)

VILLAGE OF HAINESVILLE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual (Cont.)  
 Year Ended April 30, 2009

	Final Budget	Actual	Variance from Final Budget Over (Under)
Emergency Management Agency (Cont.)			
Commodities			
Office Supplies and Expenses	2,500	727	(1,773)
Vehicle Expense	800	494	(306)
Maintenance Supplies	1,200	1,020	(180)
Computer Services and Supplies	750		(750)
Total Commodities	<u>4,500</u>	<u>2,241</u>	<u>(2,259)</u>
Total Current Expenditures	<u>14,550</u>	<u>4,425</u>	<u>(10,125)</u>
Capital Outlay			
Equipment	7,000		(7,000)
Other	22,300		(22,300)
Total Capital Outlay	<u>29,300</u>	-	<u>(29,300)</u>
Total Emergency Management Agency	<u>43,850</u>	<u>4,425</u>	<u>(39,425)</u>
Total Expenditures	<u>\$ 1,478,800</u>	<u>1,464,685</u>	<u>(14,115)</u>

VILLAGE OF HAINESVILLE, ILLINOIS

Police Protection Fund

Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2009

	Final Budget	Actual	Variance from Final Budget Over (Under)
<b>Revenues</b>			
Taxes			
Property	\$ 475,300	475,300	
Fines and Forfeitures	50,500	33,386	(17,114)
Miscellaneous			
Contributions		10,575	10,575
Total Revenues	525,800	519,261	(6,539)
<b>Expenditures</b>			
Public Safety			
Personnel			
Wages	398,000	331,416	(66,584)
Payroll Taxes	31,000	15,457	(15,543)
Personnel Benefits	27,000	9,600	(17,400)
Retirement Benefits	26,000	17,839	(8,161)
Total Personnel	482,000	374,312	(107,688)
Contractual Services			
Maintenance	10,000	4,906	(5,094)
Dispatching	76,000	73,840	(2,160)
Legal	32,000	16,567	(15,433)
Insurance	25,000	21,913	(3,087)
Miscellaneous	1,100	6,047	4,947
Professional Development	8,200	9,555	1,355
Communication	3,900	3,715	(185)
Total Contractual Services	156,200	136,543	(19,657)
Commodities			
Office Supplies and Expenses	21,800	12,536	(9,264)
Computer Services and Supplies	3,600	2,256	(1,344)
Vehicle Expense	40,000	20,744	(19,256)
Maintenance Supplies	2,700	2,021	(679)
Total Commodities	68,100	37,557	(30,543)
Total Current Expenditures	706,300	548,412	(157,888)
Debt Service			
Principal		7,795	7,795
Interest		1,825	1,825
Total Debt Service	-	9,620	9,620
Capital Outlay			
Police Equipment	6,500	24,610	18,110
Total Expenditures	712,800	582,642	(130,158)

VILLAGE OF HAINESVILLE, ILLINOIS

Police Protection Fund

Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Cont.)  
Year Ended April 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget Over (Under)</u>
Excess (Deficiency) of Revenues over Expenditures	(187,000)	(63,381)	123,619
Other Financing Sources Proceeds from Installment Note		<u>21,430</u>	<u>21,430</u>
Net Change in Fund Balance	<u>\$ (187,000)</u>	<u>(41,951)</u>	<u>145,049</u>
Fund Balance May 1		<u>35,656</u>	
April 30		<u>(6,295)</u>	

**NONMAJOR FUND**

**VILLAGE OF HAINESVILLE, ILLINOIS**

Motor Fuel Tax Fund

Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2009

	Final Budget	Actual	Variance from Final Budget Over (Under)
Revenues			
Motor Fuel Tax	\$ 97,000	89,871	(7,129)
Interest Income	2,000	1,556	(444)
Total Revenues	<u>99,000</u>	<u>91,427</u>	<u>(7,573)</u>
Expenditures			
Capital Outlay			
Street Maintenance	55,000	28,536	(26,464)
Net Change in Fund Balance	<u>\$ 44,000</u>	62,891	<u>18,891</u>
Fund Balance			
May 1		<u>108,353</u>	
April 30		<u>171,244</u>	

**PROPRIETARY FUND TYPE**

**ENTERPRISE FUNDS**

VILLAGE OF HAINESVILLE, ILLINNOIS

Public Works Funds

Combining Schedule of Revenues, Expenses,  
and Changes in Net Assets  
Year Ended April 30, 2009

	Streets & Sanitation	Water & Sewer	Total
Operating Revenues			
Charges for Services	\$ 166,952	760,273	927,225
Operating Expenses			
Personnel Service		90,951	90,951
Purchased Services	417,065	331,528	748,593
Commodities	12,554	30,180	42,734
Capital Outlay	4,592	116	4,708
Operating Expenses before Depreciation	434,211	452,775	886,986
Depreciation		131,361	131,361
Total Operating Expenses	434,211	584,136	1,018,347
Operating Income (Loss)	(267,259)	176,137	(91,122)
Nonoperating Revenues			
Road and Bridge Tax	5,441		5,441
Investment Income		15,854	15,854
Total Nonoperating Revenues	5,441	15,854	21,295
Change in Net Assets	\$ (261,818)	191,991	(69,827)
Net Assets			
May 1			12,484,174
April 30			12,414,347

VILLAGE OF HAINESVILLE, ILLINOIS

Public Works Fund - Streets & Sanitation

Schedule of Revenues and Expenses - Budget and Actual  
Year Ended April 30, 2009

	Final Budget	Actual	Variance from Final Budget Over (Under)
<b>Operating Revenues</b>			
Charges for Services			
Garbage Charges	\$ 143,000	159,527	16,527
Yard Waste Stickers	8,000	7,425	(575)
Total Operating Revenues	<u>151,000</u>	<u>166,952</u>	<u>15,952</u>
<b>Operating Expenses</b>			
Contractual Services			
Engineering Services	2,000	3,454	1,454
Electric services	300		(300)
Maintenance Services	177,000	275,836	98,836
Garbage Contract	150,000	137,775	(12,225)
Legal Services	800		(800)
Total Contractual Services	<u>330,100</u>	<u>417,065</u>	<u>86,965</u>
Commodities			
Miscellaneous Office Expenses	5,300	2,713	(2,587)
Street Lighting	10,000	7,064	(2,936)
Equipment Rental	1,000		(1,000)
Julie Locates and Messages	1,000	442	(558)
Yard Waste Stickers	15,000	922	(14,078)
Maintenance supplies	6,600	1,413	(5,187)
Other	200		(200)
Total Commodities	<u>39,100</u>	<u>12,554</u>	<u>(26,546)</u>
Capital Outlay			
Tree Planting	5,000		(5,000)
Landscape Beautification	2,500	3,459	959
Street Signs	1,750	1,133	(617)
Total Capital Outlay	<u>4,250</u>	<u>4,592</u>	<u>342</u>
Total Operating Expenses	<u>373,450</u>	<u>434,211</u>	<u>60,761</u>
Operating Loss	<u>\$ (222,450)</u>	<u>(267,259)</u>	<u>(44,809)</u>

VILLAGE OF HAINESVILLE, ILLINOIS

Public Works Fund - Water & Sewer

Schedule of Revenues and Expenses - Budget and Actual  
Year Ended April 30, 2009

	Final Budget	Actual	Variance from Final Budget Over (Under)
<b>Operating Revenues</b>			
Charges for Services			
Water Sales	\$ 430,800	489,125	58,325
Sewer Charges	270,000	260,518	(9,482)
Meter and Connection Fees	150,000		(150,000)
Miscellaneous Income	2,500	10,630	8,130
Total Operating Revenues	853,300	760,273	(93,027)
<b>Operating Expenses Excluding Depreciation</b>			
Personnel			
Wages	98,000	76,822	(21,178)
Payroll Taxes	7,500	6,173	(1,327)
Personnel Benefits	4,000	3,360	(640)
Retirement Benefits	9,000	4,596	(4,404)
Total Personnel	118,500	90,951	(27,549)
Contracted Services			
Accounting Services	1,500	1,200	(300)
Engineering Services	15,000	32,077	17,077
Legal Services	1,200		(1,200)
Insurance	11,000	5,767	(5,233)
Water and Lift Station Services	68,000	42,251	(25,749)
Maintenance Services	75,400	2,248	(73,152)
Water Disposal	255,000	215,208	(39,792)
Electric services	40,000	30,323	(9,677)
Professional Development	2,550	2,454	(96)
Total Contracted Services	469,650	331,528	(138,122)
Commodities			
Maintenance Supplies	9,100	3,204	(5,896)
Miscellaneous Office Expenses	3,200	2,468	(732)
Communication	7,800	5,452	(2,348)
Vehicle Expense	4,200	1,904	(2,296)
Office Supplies	14,000	2,603	(11,397)
Computer Software and Support	2,450	7,728	5,278
Other	1,900	6,821	4,921
Total Commodities	42,650	30,180	(12,470)
Total Current Expenses			
	630,800	452,659	(178,141)
Capital Outlay			
Water Meters	10,000	116	(9,884)
Operating Expenses before Depreciation			
	640,800	452,775	(188,025)
Depreciation			
		131,361	(131,361)
Total Operating Expenses			
	640,800	584,136	(56,664)
Operating Income			
	\$ 212,500	176,137	(36,363)

**SUPPLEMENTAL INFORMATION**

**VILLAGE OF HAINESVILLE, ILLINOIS**

Comparative Tax Data

Last Ten Levy Years

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(See Following Page)

**VILLAGE OF HAINESVILLE, ILLINOIS**

Comparative Tax Data

Last Ten Levy Years

Tax Levy Year	2008	2007	2006	2005	2004
Assessed Valuation	\$	87,855,893	84,282,626	81,661,713	71,863,369
Tax Rates					
Corporate	0.143	0.140	0.150	0.137	0.113
Police Protection	0.534	0.541	0.541	0.548	0.501
SSA					
	0.677	0.681	0.691	0.685	0.614
Tax Extension					
Corporate	\$ 131,934	122,998	126,424	111,877	81,206
Police Protection	492,677	475,300	455,969	447,506	360,035
SSA	22,120	22,120	5,560	5,530	5,460
	\$ 646,732	620,418	587,953	564,913	446,701
Collections		618,972	582,023	537,806	442,226
Collection Rate		99.77%	98.99%	95.20%	99.00%

2003	2002	2001	2000	1999
65,936,281	52,117,360	43,584,612	36,547,881	30,857,090
0.112 0.356	0.100 0.416	0.092	0.094	0.093
0.468	0.516	0.092	0.094	0.093
73,849 234,733 5,030	52,117 216,808 4,140	40,098	34,355	28,697
313,612	273,065	40,098	34,355	28,697
312,785	273,081	40,395	34,099	28,550
99.74%	100.01%	100.74%	99.25%	99.49%