

# **Village of Hainesville, Illinois**

## **Annual Financial Report**

**April 30, 2016**

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**Village of Hainesville, Illinois**  
**Annual Financial Report**  
**April 30, 2016**

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## **Financial Section**



## Independent Auditor's Report

Board of Trustees  
Village of Hainesville, Illinois

We have audited the accompanying financial statements of the governmental activities, the 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, 2016, 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.



## **Opinions**

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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison information for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matters**

As disclosed in Note 1 to the financial statements, during the year, the Village adopted new accounting guidance required by Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as amended by Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Our opinions are not modified with respect to these matters.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

The supplemental information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*BKD, LLP*

Oakbrook Terrace, Illinois  
September 15, 2016

## VILLAGE OF HAINESVILLE, ILLINOIS

### MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2016

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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 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.

During 2016, the Village adopted Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB No. 27*. 2015 information has not been adjusted for the adoption of GASB 68.

#### Financial Highlights

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$16,571,430 (*net position*). Of this amount, \$2,867,406 (*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 \$357,213. This includes a decrease of \$308,255 from current year operations and a decrease of \$48,958 related to the restatement of the beginning net position for the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. 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 \$310,980.
- As of the close of the current fiscal year, the Village's governmental funds reported combined fund balances of \$2,619,973. Of this amount, \$1,735,583 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 \$1,778,864 or 91% of total General Fund expenditures during the current year.
- The Village's total debt decreased by \$68,605 during the current fiscal year. The prior year debt of \$517,941 was decreased by payments of outstanding principal. In addition, the prior year Bank Note Payable in the governmental funds of \$285,575 was refinanced during the year.

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

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

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

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**Government-Wide Financial Statements**

The government-wide financial statements (see pages 14 and 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 14) 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 page 15) is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

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

**Fund Financial Statements**

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

The Governmental Funds Statements (see pages 16 to 20) are presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the Budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the Fund Financial Statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith.

While the totals of the Proprietary Fund Financial Statements (see pages 21 to 23) are the same as the Business-type column on the Government-wide Financial Statement, the Governmental Funds Total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 17 and 19). The flow of current financial resources will reflect loan proceeds and interfund transfers as other financing sources as well as capital expenditures and loan principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bonds and others) into the Governmental Activities column (in the government-wide statements).

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

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**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, 2016 and 2015**  
**(in thousands)**

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Assets						
Current and Other Assets	\$ 3,109.0	3,259.9	701.0	710.5	3,810.0	3,970.4
Capital Assets	6,671.0	6,838.9	7,205.4	7,228.5	13,876.4	14,067.4
Total Assets	<u>9,780.0</u>	<u>10,098.8</u>	<u>7,906.4</u>	<u>7,939.0</u>	<u>17,686.4</u>	<u>18,037.8</u>
Deferred Outflows of Resources	<u>18.1</u>		<u>6.2</u>		<u>24.3</u>	
Liabilities						
Current Liabilities	102.0	359.9	63.3	44.0	165.3	403.9
Other Liabilities	235.6		274.8	267.4	510.4	267.4
Total Liabilities	<u>337.6</u>	<u>359.9</u>	<u>338.1</u>	<u>311.4</u>	<u>675.7</u>	<u>671.3</u>
Deferred Inflows of Resources	<u>457.4</u>	<u>437.9</u>	<u>6.1</u>		<u>463.5</u>	<u>437.9</u>
Net Position						
Net Investment in Capital Assets	6,442.7	6,553.3	6,984.4	6,996.1	13,427.1	13,549.4
Restricted for Maintenance of Roadways and Special Service Area	277.0	160.4			277.0	160.4
Unrestricted	<u>2,283.3</u>	<u>2,587.3</u>	<u>584.0</u>	<u>631.5</u>	<u>2,867.3</u>	<u>3,218.8</u>
Total Net Position	<u>\$ 9,003.0</u>	<u>9,301.0</u>	<u>7,568.4</u>	<u>7,627.6</u>	<u>16,571.4</u>	<u>16,928.6</u>

For more detailed information, see the Statement of Net Position (page 14).

The largest portion of the Village's net position (81%) reflects an investment in capital assets (e.g., land, buildings, equipment, improvements and construction in progress), less any depreciation and outstanding debt used to acquire those assets. The Village uses these capital assets to provide service to citizens; consequently, these assets are not available for spending. The second largest portion (17%) 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 (2%) is restricted for maintenance of roadways and capital projects.

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

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**Normal Impacts**

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

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

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

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

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

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

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

**Current Year Impacts**

The Village's \$357,213 (includes restatement of \$48,958 described in Note 11) current year decrease in combined net position (which is the Village's bottom line) was the result of the governmental activities net position decreasing by \$297,990 and the business-type activities net position decreasing by \$59,223. The General Fund balance decreased by \$337,668. The decrease was a continued intentional spending down of the General Fund to complete Village-wide improvements, reduce outstanding debt and to add funds to the Capital Reserve. Some projects were: the new street light fixtures were installed throughout the Village, road patching work took place for the east side of town in the general Village and the next phase of the removal of Emerald Ash Borer trees continued. The Motor Fuel Tax Fund increase was \$102,912 due to no MFT funds were used during this fiscal year. The Capital Water and Sewer Project Fund, increased \$150,000, as more funds were designated to be placed within this fund for future expenditures.

The net position of the Village is generally not restricted. The balance of unrestricted net position, \$2,867,406, 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.)**

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### Changes in Net Position

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

**Table 2: Statement of Changes in Net Position**  
**Fiscal Years Ended April 30, 2016 and 2015**  
(in thousands)

	Governmental Activities		Business-type Activities		Totals	
	2016	2015	2016	2015	2016	2015
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ 68.6	83.2	908.4	906.1	977.0	989.3
Operating Grants and Contributions	102.9	214.7			102.9	214.7
General Revenues:						
Property Taxes	439.6	476.8			439.6	476.8
Utility Taxes	96.0	112.8			96.0	112.8
Franchise Taxes	241.3	245.0			241.3	245.0
Income Taxes	379.7	371.5			379.7	371.5
Sales and Use Taxes	357.6	386.3			357.6	386.3
Other Taxes	0.3	0.5			0.3	0.5
Investment Income	1.9	0.3			1.9	0.3
Total Revenues	1,687.9	1,891.1	908.4	906.1	2,596.3	2,797.2
<b>Expenses</b>						
General Government	543.7	547.7			543.7	547.7
Public Safety	843.2	807.9			843.2	807.9
Public Works	700.5	1,078.0			700.5	1,078.0
Interest on Long-Term Debt	12.0	19.8			12.0	19.8
Water & Sewer			644.0	606.7	644.0	606.7
Streets & Sanitation			161.2	158.7	161.2	158.7
Total Expenses	2,099.4	2,453.4	805.2	765.4	2,904.6	3,218.8
<b>Change in Net Position</b>						
Before Transfers	(411.5)	(562.3)	103.2	140.7	(308.3)	(421.6)
Transfers	150.0	36.9	(150.0)	(36.9)		
Change in Net Position	(261.5)	(525.4)	(46.8)	103.8	(308.3)	(421.6)
Net Position, Beginning Adoption of GASB 68	9,301.0 (36.5)	9,826.4 (12.4)	7,627.6 7,523.8	7,627.6 (48.9)	16,928.6 (48.9)	17,350.2
Net Position, Ending	\$ 9,003.0	9,301.0	7,568.4	7,627.6	16,571.4	16,928.6

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

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

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

**Normal Impacts**

**Revenues:**

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

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

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

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

**Expenses:**

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

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

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

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

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

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**Current Year Impacts**

*Governmental Activities*

**Revenue:**

For the fiscal year ended April 30, 2016, general revenues from the governmental activities totaled \$1,666,467. Property tax revenues are the Village's largest revenue source, coming in at \$439,601, with state income tax of \$379,691 and sales and use tax receipts of \$357,588. Franchise and utility taxes are \$241,340 and \$96,089, respectively.

**Expenses:**

For the fiscal year ended April 30, 2016, expenses for governmental activities totaled \$2,099,417.

*Business-type Activities*

**Revenue:**

For the fiscal year ended April 30, 2016, revenues from the business-type activities totaled \$908,416.

The major revenue source is Charges for Services to operate the Public Works Funds, which include Water and Sewer and Sanitation Services for residents.

**Expenses:**

For the fiscal year ended April 30, 2016, expenses for business-type activities totaled \$805,225 including depreciation and amortization of \$143,056.

The Public Works Fund follows 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, 2016, the governmental funds (as presented on the Balance Sheet on page 16) reported a combined fund balance of \$2,619,973.

**General Fund Budgetary Highlights**

The 2016 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, 2016**  
**(in thousands)**

	Original/Final Budget	Actual
Revenues		
Taxes	\$ 775.8	756.1
Intergovernmental	757.0	782.9
Other	66.3	70.4
Total	<u>1,599.1</u>	<u>1,609.4</u>
Expenditures		
General Government	492.1	446.3
Public Safety	844.3	843.1
Public Works	454.6	480.3
Debt Service	293.4	69.3
Capital Outlay	108.7	108.1
Total	<u>2,193.1</u>	<u>1,947.1</u>
Net Change in Fund Balance	<u>\$ (594.0)</u>	<u>(337.7)</u>

The General Fund's actual revenues were over budget by \$10,299 (.6%), while actual expenditures were \$246,020 (11.2%) less than the budgeted amount. Intergovernmental revenues received were over budget by \$25,944 (3.4%), property taxes were under by \$19,767 (2.5%). The General Fund budgeted expenditure variances were primarily due to the refinancing of the Public Works Building and continued spending reductions in the General Government.

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

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**Capital Assets**

At the end of Fiscal Year 2016, the Village had a combined total of capital assets of \$13,876.4 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, 2016**  
**(in thousands)**

	Governmental Activities	Business-type Activities	Total
Land	\$ 3,919.4	178.6	4,098.0
Construction in Progress		120.0	120.0
Buildings and Improvements	1,384.6		1,384.6
Land Improvements	228.8		228.8
Office Furniture and Equipment	40.9		40.9
Other Assets	49.9	58.8	108.7
Infrastructure	1,047.4		1,047.4
Water and Sewer System		5,086.0	5,086.0
Storm System		1,762.0	1,762.0
	<hr/>	<hr/>	<hr/>
	\$ 6,671.0	7,205.4	13,876.4

**Table 5: Change in Capital Assets**  
**Fiscal Year Ended April 30, 2016**  
**(in thousands)**

	Governmental Activities	Business-type Activities	Total
Beginning Balance, net	\$ 6,838.9	7,228.5	14,067.4
Disposals			
Depreciable Assets			
Additions		120.0	120.0
Depreciation Expense	<hr/>	<hr/>	<hr/>
	(167.9)	(143.1)	(311.0)
Ending Balance	<hr/>	<hr/>	<hr/>
	\$ 6,671.0	7,205.4	13,876.4

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

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

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**Debt Outstanding**

The Village of Hainesville had total long-term debt and loans payable of \$449,336 as of April 30, 2016. Long-term debt is comprised of a bank note payable and an IEPA loan. During the year, \$68,605 of long-term debt was paid down.

The Public Works Facility bank loan, for property currently being used as a Public Works Facility and houses Public Works trucks and equipment, was refinanced during the year. The IEPA loan is for the installation of the Route 120 Watermain Extension Project and the North Street/Hainesville Road Watermain Extension Project.

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

**Economic Factors**

During fiscal year 2016, the Village Board continued to control spending and continued to spend down the unrestricted money for improvements throughout the Village. There has also been an increase in revenues of the state taxes based on the census. The Village is currently working on the budget for fiscal year 2017-18 and will be carefully reviewing and taking in consideration the situation with the State of Illinois budget.

**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, Illinois 60030.

## **Basic Financial Statements**



# Village of Hainesville, Illinois

## Statement of Net Position

**April 30, 2016**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 2,453,887	\$ 573,829	\$ 3,027,716
Receivables			
Property taxes	439,424	-	439,424
Other taxes	185,028	-	185,028
Intergovernmental	8,393	-	8,393
Customer accounts	22,016	127,196	149,212
Other assets	197	-	197
Total current assets	<u>3,108,945</u>	<u>701,025</u>	<u>3,809,970</u>
<b>Capital Assets</b>			
Land	3,919,359	298,580	4,217,939
Other capital assets, net of depreciation	<u>2,751,629</u>	<u>6,906,821</u>	<u>9,658,450</u>
Total capital assets	<u>6,670,988</u>	<u>7,205,401</u>	<u>13,876,389</u>
Total assets	<u>9,779,933</u>	<u>7,906,426</u>	<u>17,686,359</u>
<b>Deferred Outflows of Resources</b>			
Outflows related to pensions	<u>18,100</u>	<u>6,157</u>	<u>24,257</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued expenses	30,776	51,390	82,166
Deferred revenue	18,772	-	18,772
Compensated absences payable	5,827	284	6,111
Current portion of long-term debt			
Note payable - bank	46,622	-	46,622
IEPA loan	-	11,578	11,578
Total current liabilities	<u>101,997</u>	<u>63,252</u>	<u>165,249</u>
<b>Noncurrent Liabilities</b>			
Note payable - bank	181,665	-	181,665
IEPA loan	-	209,471	209,471
Net pension liability	53,890	18,329	72,219
Special customer credit	-	47,018	47,018
Total noncurrent liabilities	<u>235,555</u>	<u>274,818</u>	<u>510,373</u>
Total liabilities	<u>337,552</u>	<u>338,070</u>	<u>675,622</u>
<b>Deferred Inflows of Resources</b>			
Inflows related property taxes	439,424	-	439,424
Inflows related to pensions	<u>18,013</u>	<u>6,127</u>	<u>24,140</u>
Total deferred inflows of resources	<u>457,437</u>	<u>6,127</u>	<u>463,564</u>
<b>Net Position</b>			
Net investment in capital assets	6,442,701	6,984,352	13,427,053
Restricted for maintenance of roadways and special service area	276,971	-	276,971
Unrestricted	<u>2,283,372</u>	<u>584,034</u>	<u>2,867,406</u>
Total net position	<u>\$ 9,003,044</u>	<u>\$ 7,568,386</u>	<u>\$ 16,571,430</u>

**Village of Hainesville, Illinois**  
**Statement of Activities**  
**Year Ended April 30, 2016**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-type Activities	Total
<b>Governmental Activities</b>						
General government	\$ 543,670	\$ 68,581	\$ -	\$ (475,089)	\$ -	\$ (475,089)
Public safety	843,174	-	-	(843,174)	-	(843,174)
Public works	700,560	-	102,912	(597,648)	-	(597,648)
Interest on long-term debt	12,013	-	-	(12,013)	-	(12,013)
Total governmental activities	<u>2,099,417</u>	<u>68,581</u>	<u>102,912</u>	<u>(1,927,924)</u>	<u>-</u>	<u>(1,927,924)</u>
<b>Business-type Activities</b>						
Water & sewer	644,032	746,373	-	-	102,341	102,341
Streets & sanitation	161,193	162,043	-	-	850	850
Total business-type activities	<u>805,225</u>	<u>908,416</u>	<u>-</u>	<u>-</u>	<u>103,191</u>	<u>103,191</u>
Total	<u>\$ 2,904,642</u>	<u>\$ 976,997</u>	<u>\$ 102,912</u>	<u>(1,927,924)</u>	<u>103,191</u>	<u>(1,824,733)</u>
<b>General Revenues</b>						
Taxes						
Property				439,601	-	439,601
Utility				96,089	-	96,089
Franchise				241,340	-	241,340
Intergovernmental revenue						
Income tax				379,691	-	379,691
Sales and use taxes				357,588	-	357,588
Replacement tax				292	-	292
Unrestricted investment earnings				1,866	11	1,877
Transfers				150,000	(150,000)	-
Total general revenues and transfers				<u>1,666,467</u>	<u>(149,989)</u>	<u>1,516,478</u>
<b>Decrease in Net Position</b>				<u>(261,457)</u>	<u>(46,798)</u>	<u>(308,255)</u>
<b>Net Position</b>						
Beginning - as previously reported				9,301,034	7,627,609	16,928,643
Restatement for adoption of GASB 68 (see Note 11)				<u>(36,533)</u>	<u>(12,425)</u>	<u>(48,958)</u>
Beginning - as restated				<u>9,264,501</u>	<u>7,615,184</u>	<u>16,879,685</u>
Ending				<u>\$ 9,003,044</u>	<u>\$ 7,568,386</u>	<u>\$ 16,571,430</u>

**Village of Hainesville, Illinois**  
**Governmental Funds Balance Sheet**  
**April 30, 2016**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Cash and investments	\$ 1,621,171	\$ 832,716	\$ 2,453,887
Receivables			
Property taxes	418,424	21,000	439,424
Other taxes	185,028	-	185,028
Intergovernmental	-	8,393	8,393
Permits	22,016	-	22,016
Other assets	197	-	197
Total assets	<u>\$ 2,246,836</u>	<u>\$ 862,109</u>	<u>\$ 3,108,945</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 28,224	\$ -	\$ 28,224
Accrued payroll	2,552	-	2,552
Deferred revenue	18,772	-	18,772
Total liabilities	<u>49,548</u>	<u>-</u>	<u>49,548</u>
<b>Deferred Inflows of Resources</b>			
Unavailable property tax revenue	<u>418,424</u>	<u>21,000</u>	<u>439,424</u>
<b>Fund Balances</b>			
Restricted			
Maintenance of roadways	-	263,338	263,338
Maintenance of special service area	-	13,633	13,633
Committed for capital purposes	-	564,138	564,138
Assigned for capital purposes	43,281	-	43,281
Unassigned	1,735,583	-	1,735,583
Total fund balances	<u>1,778,864</u>	<u>841,109</u>	<u>2,619,973</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,246,836</u>	<u>\$ 862,109</u>	<u>\$ 3,108,945</u>

**Village of Hainesville, Illinois**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**Year Ended April 30, 2016**

<b>Total Fund Balances - Governmental Funds</b>	\$ 2,619,973
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.	6,670,988
Deferred outflows of resources, pension related	18,100
Deferred inflows of resources, pension related	(18,013)
Some liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds. These activities consist of	
Compensated absences payable	(5,827)
Net pension liability	(53,890)
Notes payable	(228,287)
<b>Net Position of Governmental Activities</b>	<b>\$ 9,003,044</b>

**Village of Hainesville, Illinois**  
**Governmental Funds Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Year Ended April 30, 2016**

	<b>General Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>			
Taxes	\$ 756,063	\$ 20,967	\$ 777,030
Intergovernmental	782,903	102,912	885,815
Fees, licenses and permits	65,750	-	65,750
Investment income	1,866	-	1,866
Miscellaneous	2,831	-	2,831
<b>Total revenues</b>	<b>1,609,413</b>	<b>123,879</b>	<b>1,733,292</b>
<b>Expenditures</b>			
<b>Current</b>			
General government	446,278	23,055	469,333
Public safety	843,174	-	843,174
Public works	480,257	-	480,257
<b>Total current expenditures</b>	<b>1,769,709</b>	<b>23,055</b>	<b>1,792,764</b>
Debt service			
Principal	57,288	-	57,288
Interest	12,013	-	12,013
<b>Total debt service</b>	<b>69,301</b>	<b>-</b>	<b>69,301</b>
Capital outlay	108,071	-	108,071
<b>Total expenditures</b>	<b>1,947,081</b>	<b>23,055</b>	<b>1,970,136</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>			
	(337,668)	100,824	(236,844)
<b>Other Financing Sources</b>			
Transfers in	-	150,000	150,000
<b>Net Change in Fund Balance</b>	<b>(337,668)</b>	<b>250,824</b>	<b>(86,844)</b>
<b>Fund Balance, Beginning of Year</b>	<b>2,116,532</b>	<b>590,285</b>	<b>2,706,817</b>
<b>Fund Balance, End of year</b>	<b>\$ 1,778,864</b>	<b>\$ 841,109</b>	<b>\$ 2,619,973</b>

**Village of Hainesville, Illinois**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**Year Ended April 30, 2016**

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$ <b>(86,844)</b>
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Amounts reported for governmental activities in the statement of activities  
are different because:

Depreciation is not considered an expenditure in the governmental funds.	(167,924)
Tax revenues in the statement of activities that do not provide current financial resources are reported as deferred revenue in the governmental funds.	(45,332)
Repayment of principal on long-term debt is an expenditure in governmental funds, but reduces long-term liabilities in the statement of net position.	57,288
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:	
Increase in deferred outflows related to pensions	12,956
Increase in compensated absences	(1,375)
Increase in deferred inflows related to pensions	(18,013)
Increase in net pension liability	<u>(12,213)</u>
<b>Change in Net Position of Governmental Activities</b>	<b>\$ (261,457)</b>

**Village of Hainesville, Illinois**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in**  
**Fund Balances – Budget and Actual**  
**Year Ended April 30, 2016**

	Original and Final Budget	Actual	Variance from Final Budget Over (Under)
<b>Revenues</b>			
Taxes	\$ 775,830	\$ 756,063	\$ (19,767)
Intergovernmental	756,959	782,903	25,944
Fees, licenses and permits	59,825	65,750	5,925
Interest income	200	1,866	1,666
Miscellaneous	6,300	2,831	(3,469)
Total revenues	<u>1,599,114</u>	<u>1,609,413</u>	<u>10,299</u>
<b>Expenditures</b>			
General government			
Personnel	227,200	207,462	(19,738)
Contractual services	177,647	180,163	2,516
Commodities	47,263	43,091	(4,172)
Capital outlay	40,036	15,562	(24,474)
Total general government	<u>492,146</u>	<u>446,278</u>	<u>(45,868)</u>
Public safety			
Emergency management agency			
Contractual services	700	-	(700)
Police protection			
Contractual services	843,617	843,174	(443)
Total public safety	<u>844,317</u>	<u>843,174</u>	<u>(1,143)</u>
Public works			
Personnel	106,300	73,298	(33,002)
Contractual services	282,164	336,106	53,942
Commodities	66,110	70,853	4,743
Total public works	<u>454,574</u>	<u>480,257</u>	<u>25,683</u>
Total current expenditures	1,791,037	1,769,709	(21,328)
Debt service	293,330	69,301	(224,029)
Capital outlay	<u>108,734</u>	<u>108,071</u>	<u>(663)</u>
Total expenditures	<u>2,193,101</u>	<u>1,947,081</u>	<u>(246,020)</u>
<b>Net Change in Fund Balance</b>	<b>\$ (593,987)</b>	<b>(337,668)</b>	<b>\$ 256,319</b>
<b>Fund Balance, Beginning of Year</b>		<b>2,116,532</b>	
<b>Fund Balance, End of Year</b>		<b>\$ 1,778,864</b>	

**Village of Hainesville, Illinois**  
**Public Works Fund**  
**Proprietary Fund Statement of Net Position**  
**April 30, 2016**

**Assets**

**Current Assets**

Cash and cash equivalents	\$ 573,829
Accounts receivable	127,196
Total current assets	<u>701,025</u>

**Noncurrent Assets**

Land	298,580
Capital assets at cost	9,060,162
Less accumulated depreciation	<u>(2,153,341)</u>
Total noncurrent assets	<u>7,205,401</u>
 Total assets	 <u>7,906,426</u>

**Deferred Outflows of Resources**

Outflows related to pensions	6,157
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**Liabilities**

**Current Liabilities**

Accounts payable	49,140
Compensated absences	284
Water deposits	2,250
IEPA loan	11,578
Total current liabilities	<u>63,252</u>

**Noncurrent Liabilities**

IEPA loan	209,471
Net pension liability	18,329
Special customer credit	47,018
Total noncurrent liabilities	<u>274,818</u>
 Total liabilities	 <u>338,070</u>

**Deferred Inflows of Resources**

Deferred inflows of resources - pensions	6,127
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**Net Position**

Net investment in capital assets	6,984,352
Unrestricted	<u>584,034</u>
 Total net position	 <u>\$ 7,568,386</u>

**Village of Hainesville, Illinois**  
**Public Works Fund**  
**Proprietary Fund Statement of Revenues, Expenses**  
**and Changes in Net Position**  
**Year Ended April 30, 2016**

<b>Operating Revenues</b>	
Charges for services	\$ <u>908,416</u>
<b>Operating Expenses</b>	
Operations	656,901
Depreciation	<u>143,056</u>
Total operating expenses	<u>799,957</u>
<b>Operating Income</b>	<u>108,459</u>
<b>Nonoperating Revenues (Expenses)</b>	
Investment income	11
Interest expense and executory costs	<u>(5,268)</u>
Total nonoperating revenues (expenses)	<u>(5,257)</u>
<b>Income Before Transfers</b>	103,202
<b>Transfers</b>	
Transfer out to Water & Sewer Capital Fund	<u>(150,000)</u>
<b>Change in Net Position</b>	<u>(46,798)</u>
<b>Net Position</b>	
Beginning - as previously reported	7,627,609
Restatement for adoption of GASB 68 (see Note 11)	<u>(12,425)</u>
Beginning - as restated	<u>7,615,184</u>
Ending	<u>\$ 7,568,386</u>

**Village of Hainesville, Illinois**  
**Public Works Fund**  
**Proprietary Fund Statement of Cash Flows**  
**Year Ended April 30, 2016**

**Operating Activities**

Cash received from customers	\$ 910,035
Cash payments to suppliers for services	(579,921)
Cash payments to employees for services	(52,076)
Net cash provided by operating activities	<u><u>278,038</u></u>

**Investing Activities**

Earnings on investments	<u><u>11</u></u>
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**Noncapital Financing Activities**

Operating transfers - out to other funds	(150,000)
Principal paid on IEPA loan	(11,317)
Interest expense and executory costs	(5,268)
Net cash used in noncapital financing activities	<u><u>(166,585)</u></u>

**Capital and Related Financing Activities**

Purchase of capital assets	<u><u>(120,000)</u></u>
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**Net Change in Cash and Cash Equivalents**

(8,536)

**Cash and Cash Equivalents, Beginning of Year**

582,365

**Cash and Cash Equivalents, End of Year**

\$ 573,829

**Reconciliation of Operating Income to Net Cash Flows**

**From Operating Activities**

Operating income	\$ 108,459
Items not requiring cash	
Depreciation	143,056
Changes in assets and liabilities	
Accounts receivable	966
Deferred outflows of resources	(6,157)
Accounts payable	18,846
Compensated absences	284
Water deposits	(100)
Special customer credit	653
Net pension liability	5,904
Deferred inflows of resources	<u><u>6,127</u></u>
Net cash provided by operating activities	<u><u>\$ 278,038</u></u>

# **Village of Hainesville, Illinois**

## **Notes to Basic Financial Statements**

### **April 30, 2016**

#### **Note 1: Summary of Significant Accounting Policies**

The Village of Hainesville, Illinois (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.

#### ***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.

#### ***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.

**Village of Hainesville, Illinois**  
**Notes to Basic Financial Statements**  
**April 30, 2016**

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 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.

***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 noncurrent) 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.

# **Village of Hainesville, Illinois**

## **Notes to Basic Financial Statements**

**April 30, 2016**

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.

### ***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 covered.

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

All proprietary funds are accounted for on a flow of economic resources measurement focus and are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Proprietary funds separate all activity into two categories: operating and nonoperating revenues and expenses. Operating revenues and expenses result from providing services and producing and delivering goods. Nonoperating revenues and expenses entail all other activity not included in operating revenues and expenses. Nonoperating 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 Basic Financial Statements**

**April 30, 2016**

### **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:

The Village reports the following major governmental fund:

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

The Village reports the following nonmajor governmental funds:

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

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

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

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

### **Proprietary Fund**

Proprietary funds are used to account for the ongoing operations and activities, which are similar to those often found in the private sector. The measurement focus is upon determination of net income.

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

**Village of Hainesville, Illinois**  
**Notes to Basic Financial Statements**  
**April 30, 2016**

The Village reports the following major proprietary fund:

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

***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.

***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).

**Village of Hainesville, Illinois**  
**Notes to Basic Financial Statements**  
**April 30, 2016**

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

***Equity Classifications***

***Government-Wide Statements***

Equity is classified as net position and displayed in three components:

Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted net position – Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – All other net positions that do not meet the definitions of "restricted" "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

**Village of Hainesville, Illinois**  
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*Fund Statements*

Governmental fund balances are displayed as follows:

**Nonspendable** – Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.

**Restricted** – Consists of fund balances with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

**Committed** – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority. Fund balance amounts are committed through a formal action (resolution) of the Village Board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Village that originally created the commitment.

**Assigned** – Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following: (1) the Board may take official action to assign amounts; (2) all remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.

**Unassigned** – Includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

***Long-Term Obligations***

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.

# **Village of Hainesville, Illinois**

## **Notes to Basic Financial Statements**

### **April 30, 2016**

#### ***Property Taxes***

Property taxes for 2015 attach as an enforceable lien on January 1, 2015, 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, 2016 and September 1, 2016. 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 2015 tax levy is used to fund operations of the 2016-2017 fiscal year, the revenue is reported as unavailable in the funds statements at April 30, 2016, and is presented as deferred inflows of resources.

#### ***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.

#### ***Deferred Outflows/Inflows of Resources***

The Village reports deferred outflows of resources on its statement of net position. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Village has an item that qualifies for reporting in this category, the outflows related to pensions, which represents pension items that will be recognized in future periods.

The Village also reports deferred inflows of resources on its statement of net position. Deferred inflows of resources represent 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 two items that qualify for reporting in this category, deferred inflows related to property taxes levied in 2015 to finance fiscal year 2016-2017 operations and deferred inflows related to pensions, which represents pension items that will be recognized in future periods.

Taxes for which there is an enforceable legal claim as of April 30, 2016, but which were not considered available, have been recorded as deferred inflows of resources in the funds statements.

#### ***Use of Estimates***

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

**Village of Hainesville, Illinois**  
**Notes to Basic Financial Statements**  
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***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.

***Excess of Expenditures over Budget/Deficit Fund Balance***

The following fund had expenditures in excess of budget for the year ended April 30, 2016:

	<u>Total Expenditures</u>	<u>Budgeted Expenditures</u>	<u>Excess Expenditures</u>
Special Service Area Fund	\$ 23,055	\$ 15,500	\$ 7,500

There were no funds that had a deficit in the fund balance at April 30, 2016.

***Pensions***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Illinois Municipal Retirement Fund agent multiple-employer defined benefit plan (IMRF), and additions to/deductions from IMRF's fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Village of Hainesville, Illinois**  
**Notes to Basic Financial Statements**  
**April 30, 2016**

***Implementation of New Accounting Standard***

In 2016, the Village adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, which has as its objectives improving the usefulness of pension information included in the general purpose external financial reports of state and local governmental employers providing pension benefits to its employees for making decisions and assessing accountability. Adoption of GASB Statement No. 68 resulted in a restatement of beginning net position at May 1, 2015, and is described in Note 11. In addition, the Statement changed the requirements for information disclosed in the notes to the financial statements and information required to be presented as required supplementary information.

The Village also adopted the provisions of GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68*. GASB Statement No. 71 provides guidance on the recognition of pension contributions made after the measurement date.

**Note 2: Cash and Investments**

***Cash***

The carrying amount of cash was \$1,469,608 at April 30, 2016, while the bank balances were \$1,497,254. 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.

***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 AAA 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 \$1,558,108 in Illinois Funds earning a 0.014% return. Illinois Funds is not subject to custodial credit risk. The Fund issues a publicly available financial report. That report may be obtained by writing to the Office of the State Treasurer, Illinois Funds Administrative Office, 300 W. Jefferson Street, Springfield, Illinois 62702.

# Village of Hainesville, Illinois

## Notes to Basic Financial Statements

April 30, 2016

### Note 3: Capital Assets

A summary of changes in the Village's capital assets for the period May 1, 2015 through April 30, 2016, was as follows:

#### **Governmental Activities**

	<b>Beginning Balance</b>	<b>Additions and Transfers</b>	<b>Disposals</b>	<b>Ending Balance</b>
Capital assets not being depreciated				
Land	\$ 3,919,359	\$ -	\$ -	\$ 3,919,359
Capital assets being depreciated				
Buildings and building improvements	1,696,489	-	-	1,696,489
Land improvements	328,243	-	-	328,243
Office furniture and equipment	127,743	-	-	127,743
Police equipment	21,314	-	-	21,314
Other assets	209,663	-	-	209,663
Infrastructure	2,430,436	-	-	2,430,436
Total capital assets being depreciated	4,813,888	-	-	4,813,888
Less accumulated depreciation	1,894,335	167,924	-	2,062,259
Total capital assets being depreciated, net	2,919,553	(167,924)	-	2,751,629
Governmental activities, capital assets, net	\$ 6,838,912	\$ (167,924)	\$ -	\$ 6,670,988

**Village of Hainesville, Illinois**  
**Notes to Basic Financial Statements**  
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***Business-type Activities***

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending Balance</b>
Capital assets not being depreciated				
Land	\$ 178,580	\$ -	\$ -	\$ 178,580
Construction in progress	-	120,000	-	120,000
Total capital assets not being depreciated	<u>178,580</u>	<u>120,000</u>	<u>-</u>	<u>298,580</u>
Capital assets being depreciated				
Water and sewer system	6,667,508	-	-	6,667,508
Storm system	2,244,330	-	-	2,244,330
Other assets	<u>148,324</u>	<u>-</u>	<u>-</u>	<u>148,324</u>
Total capital assets being depreciated	<u>9,060,162</u>	<u>-</u>	<u>-</u>	<u>9,060,162</u>
Less accumulated depreciation	<u>2,010,285</u>	<u>143,056</u>	<u>-</u>	<u>2,153,341</u>
Total capital assets being depreciated, net	<u>7,049,877</u>	<u>(143,056)</u>	<u>-</u>	<u>6,906,821</u>
Business-type activities, capital assets, net	<u>\$ 7,228,457</u>	<u>\$ (23,056)</u>	<u>\$ -</u>	<u>\$ 7,205,401</u>

***Depreciation Expense***

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

General government	\$ 58,500
Public works	<u>109,424</u>
	<u><u>\$ 167,924</u></u>

**Village of Hainesville, Illinois**  
**Notes to Basic Financial Statements**  
**April 30, 2016**

**Note 4: Long-Term Obligations**

Long-term obligation activity for the year ended April 30, 2016, was as follows:

**Governmental Activities**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Note payable - bank	\$ 285,575	\$ -	\$ 57,288	\$ 228,287	\$ 46,622
Compensated absences	<u>4,452</u>	<u>2,488</u>	<u>1,113</u>	<u>5,827</u>	<u>5,827</u>
	<b>\$ 290,027</b>	<b>\$ 2,488</b>	<b>\$ 58,401</b>	<b>\$ 234,114</b>	<b>\$ 52,449</b>

**Business-type Activities**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
IEPA loan	\$ 232,366	\$ -	\$ 11,317	\$ 221,049	\$ 11,578
Compensated absences	<u>-</u>	<u>284</u>	<u>-</u>	<u>284</u>	<u>284</u>
	<b>\$ 232,366</b>	<b>\$ 284</b>	<b>\$ 11,317</b>	<b>\$ 221,333</b>	<b>\$ 11,862</b>

Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absences liability attributable to governmental activities will be liquidated primarily by the General Fund.

**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 approximately \$243,000, secured by real estate. The Village refinanced the loan in December 2015 with a loan for \$243,803 with State Bank of the Lakes due in monthly installments of \$4,346 including interest at 2.63%, matures January 2021.

**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, 2016 payment was made on April 30.

**Village of Hainesville, Illinois**  
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***Debt Service Requirements to Maturity – Governmental Activities***

<b>Year Ending April 30</b>	<b>Note Payable</b>	
	<b>Principal</b>	<b>Interest</b>
2017	\$ 46,622	\$ 5,532
2018	47,881	4,273
2019	49,173	2,981
2020	50,497	1,657
2021	<u>34,114</u>	<u>347</u>
	<u><u>\$ 228,287</u></u>	<u><u>\$ 14,790</u></u>

***Debt Service Requirements to Maturity – Business-type Activities***

<b>Year Ending April 30</b>	<b>IEPA</b>	
	<b>Principal</b>	<b>Interest</b>
2017	\$ 11,578	\$ 5,007
2018	11,845	4,740
2019	12,119	4,466
2020	12,399	4,187
2021	12,685	3,900
2022 - 2026	67,953	14,973
2027 - 2031	76,166	6,760
2032	<u>16,304</u>	<u>281</u>
	<u><u>\$ 221,049</u></u>	<u><u>\$ 44,315</u></u>

**Note 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, Illinois 62705

**Village of Hainesville, Illinois**  
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**Note 6: Motor Fuel Tax Allotment**

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

**Note 7: 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 \$43,131.

**Note 8: Interfund Transactions**

The following were interfund transfers during the year ended April 30, 2016:

<b>Transfers Out</b>	<b>Transfers In</b>	<b>Amount</b>
Public Works Fund	Nonmajor governmental funds	\$ <u>150,000</u>

The Public Works Fund's transfers consist of \$150,000 to the Water & Sewer Capital Reserve Fund (nonmajor) to be used for capital expenditures.

**Note 9: Defined Benefit Pension Plan**

***Plan Description***

The Village's agent multiple-employer defined benefit pension plan for regular employees provides retirement and disability benefits, postemployment increases and death benefits to plan members and beneficiaries. The Village's plan is administered by the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system. 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).

***Benefits Provided***

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

**Village of Hainesville, Illinois**  
**Notes to Basic Financial Statements**  
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Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least 8 years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with 10 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of: 3% of the original pension amount, or 1/2 of the increase in the Consumer Price Index of the original pension amount.

***Employees Covered by Benefit Terms***

As of December 31, 2015, the measurement date for the net pension liability, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	-
Terminated employees entitled to but not yet receiving benefits	3
Current employees	5
	8

***Contributions***

As set by statute, the Village's plan members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar 2015 was 10.07%. For the year ended April 30, 2016, the Village contributed \$22,983 to the plan. 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Village of Hainesville, Illinois**  
**Notes to Basic Financial Statements**  
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***Investments***

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Portfolio Target Percentage</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic equities	38%	7.39%
International equities	17%	7.59%
Fixed income	27%	3.00%
Alternatives	9%	2.75% - 8.15%
Real estate	8%	6.0%
Short-term	1%	2.25%
	<b><u>100%</u></b>	

***Net Pension Liability***

The Village's net pension liability at April 30, 2016, was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The net pension liability as of April 30, 2016, is \$72,219.

***Actuarial Assumptions***

The following are the methods and assumptions used to determine the net pension liability as of December 31, 2015:

Actuarial valuation date	December 31, 2015
Measurement date	December 31, 2015
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.75%
Salary increases	3.75% to 14.50%, including inflation
Investment rate of return	7.49%
Asset valuation method	Market value of assets

**Village of Hainesville, Illinois**  
**Notes to Basic Financial Statements**  
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Retirement age is based on Experienced-Based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.

For non-disabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF-experience. For disabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF-experience.

***Discount Rate***

A single discount rate (SDR) of 7.49% was used to measure the total pension liability. The projection of cash flow used to determine the SDR assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). For the purpose of the 2015 valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57% and the resulting SDR is 7.49%.

**Village of Hainesville, Illinois**  
**Notes to Basic Financial Statements**  
**April 30, 2016**

***Changes in Net Pension Liability***

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, beginning of year	\$ 353,931	\$ 298,079	\$ 55,852
Changes for the year			
Service cost	24,879	-	24,879
Interest	26,755	-	26,755
Differences between expected and actual experience	(27,622)	-	(27,622)
Changes in assumptions	(1,261)	-	(1,261)
Contributions - employer	-	21,937	(21,937)
Contributions - employee	-	9,802	(9,802)
Net investment income	-	1,529	(1,529)
Benefit payments, including refunds of employees contributions	(16,403)	(16,403)	-
Administrative expenses	-	-	-
Other (net transfer)	-	(26,884)	26,884
Net changes	<u>6,348</u>	<u>(10,019)</u>	<u>16,367</u>
Balance, end of year	<u>\$ 360,279</u>	<u>\$ 288,060</u>	<u>\$ 72,219</u>

***Discount Rate Sensitivity***

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below represents the net pension liability of the Village calculated using the discount rate of 7.49% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.49%) or one percentage point higher (8.49%) than the current rate:

	1% Decrease (6.49%)	Current Discount Rate (7.49%)	1% Increase (8.49%)
Village's net pension liability	\$ 140,903	\$ 72,219	\$ 16,927

**Village of Hainesville, Illinois**  
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**April 30, 2016**

**Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended April 30, 2016, the Village recognized pension expense of \$46,129 (\$34,422 for governmental activities and \$11,707 to business-type activities). At April 30, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Deferred Amounts Related to Pensions</b>	<b>2016</b>	
	<b>(a) Deferred Outflows of Resources</b>	<b>(b) Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 23,086
Changes in assumptions	-	1,054
Net differences between projected and actual earnings on plan investments	16,316	-
Pension contributions made subsequent to the measurement date	<u>7,941</u>	-
<b>Total</b>	<b><u>\$ 24,257</u></b>	<b><u>\$ 24,140</u></b>

Contributions subsequent to the December 31, 2015 measurement date through April 30, 2016, of \$7,941, included in deferred outflows of resources, will be reported as a reduction of the net pension liability at April 30, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

<b>Year Ending April 30,</b>	<b>Amount</b>
2017	\$ (664)
2018	(664)
2019	(664)
2020	(665)
2021	(4,743)
Thereafter	<u>(424)</u>
	<b><u>\$ (7,824)</u></b>

**Village of Hainesville, Illinois**  
**Notes to Basic Financial Statements**  
**April 30, 2016**

***Pension Plan Fiduciary Net Position***

Detailed information about the pension plan's fiduciary net position is available in the separately issued IMRF Financial Report – Schedule of Changes in Fiduciary Net Position by Employer.

**Note 10: 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. A second contract was entered into for providing dispatch services. Both contracts were extended in June 2014. Hainesville agrees to pay Grayslake an annual fee for police and dispatch services through fiscal year 2020-21. Future annual minimum payments as of April 30, 2016, are as follows:

Fiscal Year	Police Services	Dispatch Services	Total
2017	\$ 775,654	\$ 68,133	\$ 843,787
2018	793,106	71,028	864,134
2019	810,951	74,047	884,998
2020	829,197	77,194	906,391
2021	<u>847,854</u>	<u>80,474</u>	<u>928,328</u>
	<u><u>\$ 4,056,762</u></u>	<u><u>\$ 370,876</u></u>	<u><u>\$ 4,427,638</u></u>

Expense for the year ended April 30, 2016, was \$770,417 for Police services and \$68,133 for Dispatch Services.

**Village of Hainesville, Illinois**  
**Notes to Basic Financial Statements**  
**April 30, 2016**

**Note 11: Restatement**

The governmental activities and business-type activities net position beginning balances were restated due to the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB No. 27* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Reporting Date – an amendment of GASB Statement No. 68*, as follows:

**Governmental Activities**

Net position, May 1, 2015, as previously reported	\$ 9,301,034
Adjustment related to the net pension liability at May 1, 2015	(41,677)
Adjustment at May 1, 2015, for pension contributions made subsequent to December 31, 2014 through April 30, 2015	<u>5,144</u>
Net position, May 1, 2015, as restated	<u>\$ 9,264,501</u>

**Business-type Activities/Enterprise Fund**

Net position, May 1, 2015, as previously reported	\$ 7,627,609
Adjustment related to the net pension liability at May 1, 2015	(14,175)
Adjustment at May 1, 2015, for pension contributions made subsequent to December 31, 2014 through April 30, 2015	<u>1,750</u>
Net position, May 1, 2015, as restated	<u>\$ 7,615,184</u>

**Note 12: GASB Future Pronouncements**

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

Statement No. 72, *Fair Value Measurement and Application*. This Statement was issued to enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This Statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. The Village is required to implement this Statement for the fiscal year ending April 30, 2017.

Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, 68, and No. 73*, is effective for periods beginning after June 15, 2016, except for certain of its provisions which are effective on or after June 15, 2017. GASB 82 addresses three issues: presentation of payroll-related measures in RSI, selection of assumptions and classification of employer-paid member contributions.

## **Required Supplementary Information**



**Village of Hainesville, Illinois**  
**Illinois Municipal Retirement Fund**  
**Required Supplementary Information**  
**Schedule of Changes in the Village's Net Pension Liability**  
**and Related Ratios**  
**April 30, 2016**

	<b>2015</b>
Total pension liability	
Service costs	\$ 24,879
Interest	26,755
Changes in benefit terms	-
Differences between expected and actual experience	(27,622)
Change of assumptions	(1,261)
Benefit payments including refunds of member contributions	<u>(16,403)</u>
Net change in total pension liability	6,348
Total pension liability - beginning	<u>353,931</u>
	<u><u>\$ 360,279</u></u>
Plan fiduciary net position	
Contributions - Village	\$ 21,937
Contributions - members	9,802
Net investment income	1,529
Benefit payments including refunds of member contributions	(16,403)
Other (net transfer)	<u>(26,884)</u>
Net change in plan fiduciary net position	(10,019)
Plan net position - beginning	<u>298,079</u>
Plan net position - ending	<u>288,060</u>
Village's net pension liability	<u><u>\$ 72,219</u></u>
Plan fiduciary net position as a percentage of the total pension liability	79.95%
Covered employee payroll	\$ 217,831
Village's net pension liability as a percentage of covered employee payroll	33.15%

GASB Statement No. 68 requires the presentation of 10 fiscal years of data; however, the fiscal years completed prior to the adoption of this pronouncement are not required to be presented in this schedule. The pronouncement was adopted in 2016.

Information in this schedule has been determined as of the Village's measurement date (December 31) of the net pension liability.

**Village of Hainesville, Illinois**  
**Illinois Municipal Retirement Fund**  
**Required Supplementary Information**  
**Schedule of Village Contributions**  
**April 30, 2016**

Year Ended	Actuarially Determined Contribution	Actual Contributions	Contribution Excess/(Deficiency)	Covered-Employee Payroll	Actual Contribution as a Percentage of Covered-Employee Payroll
					10.30%
4/30/2016	\$ 22,983	\$ 22,983	\$ -	\$ 223,035	10.30%

### *Notes to the Required Supplementary Information*

**Valuation date** Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

## *Methods and Assumptions Used to Determine 2015 Contribution Rates*

Actuarial cost method	Aggregate entry age normal.
Amortization method	Level percentage of payroll, closed.
Remaining amortization period	28-years closed period.
Asset valuation method	5-year smoothed market; 20% corridor.
Wage growth	4.00%
Price inflation	3.00% approximate; no explicit price inflation assumption is used in this valuation.
Salary increases	4.40% to 16.00%, including inflation.
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010.
Mortality	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.
Other	There were no benefit changes during the year.

Information above based on valuation assumptions used in the December 31, 2013, actuarial valuation; note two year lag between valuation and rate setting.

GASB Statement No. 68 requires the presentation of 10 fiscal years of data; however, the fiscal years completed prior to the adoption of this pronouncement are not required to be presented in this schedule. The pronouncement was adopted in 2016.

Information in this schedule has been determined as of the Village's most recent fiscal year-end.

**Combining and Individual Fund  
Financial Statements and Schedules**



## **Governmental Fund Types**



**Village of Hainesville, Illinois**  
**General Fund**  
**Schedule of Revenues – Budget and Actual**  
**Year Ended April 30, 2016**

	Final Budget	Actual	Variance from Final Budget Over (Under)
<b>Taxes</b>			
Property	\$ 419,371	\$ 418,634	\$ (737)
Utility	106,000	96,089	(9,911)
Franchise	250,459	241,340	(9,119)
Total taxes	775,830	756,063	(19,767)
<b>Intergovernmental</b>			
Income tax	365,112	379,691	14,579
Sales and use taxes	391,547	402,920	11,373
Personal property replacement tax	300	292	(8)
Total intergovernmental	756,959	782,903	25,944
<b>Fees, Licenses and Permits</b>			
Fines and forfeitures	1,100	1,741	641
Other licenses	36,725	36,544	(181)
Building permits and inspections	22,000	27,465	5,465
Total fees, licenses and permits	59,825	65,750	5,925
<b>Interest Income</b>			
	200	1,866	1,666
<b>Miscellaneous</b>			
Contributions	4,000	-	(4,000)
Miscellaneous	2,300	2,831	531
Total miscellaneous	6,300	2,831	(3,469)
<b>Total revenues</b>	<b>\$ 1,599,114</b>	<b>\$ 1,609,413</b>	<b>\$ 10,299</b>

**Village of Hainesville, Illinois**  
**General Fund**  
**Schedule of Expenditures – Budget and Actual**  
**Year Ended April 30, 2016**

	Final Budget	Actual	Variance from Final Budget Over (Under)
<b>General Government</b>			
Personnel			
Wages	\$ 189,800	\$ 169,980	\$ (19,820)
Payroll taxes	16,000	14,820	(1,180)
Personnel benefits	5,400	5,400	-
Retirement benefits	16,000	17,262	1,262
Total personnel	<u>227,200</u>	<u>207,462</u>	<u>(19,738)</u>
Contractual services			
Maintenance	26,670	28,611	1,941
Professional services	88,327	101,115	12,788
Insurance	37,000	28,840	(8,160)
Professional development	19,250	15,978	(3,272)
Communication	6,400	5,619	(781)
Total contractual services	<u>177,647</u>	<u>180,163</u>	<u>2,516</u>
Commodities			
Office supplies and expenses	15,370	14,213	(1,157)
Computer services and supplies	25,765	24,116	(1,649)
Maintenance supplies	425	157	(268)
Other	5,703	4,605	(1,098)
Total commodities	<u>47,263</u>	<u>43,091</u>	<u>(4,172)</u>
Total current expenditures	<u>452,110</u>	<u>430,716</u>	<u>(21,394)</u>
Capital outlay			
Other	<u>40,036</u>	<u>15,562</u>	<u>(24,474)</u>
Total general government	<u>492,146</u>	<u>446,278</u>	<u>(45,868)</u>
<b>Public Safety</b>			
Emergency Management Agency			
Dispatching	<u>700</u>	<u>-</u>	<u>(700)</u>
Police protection			
Contractual services			
Dispatching	73,200	72,757	(443)
Police contract	<u>770,417</u>	<u>770,417</u>	<u>-</u>
Total contractual services	<u>843,617</u>	<u>843,174</u>	<u>(443)</u>
Total public safety	<u>844,317</u>	<u>843,174</u>	<u>(1,143)</u>

**Village of Hainesville, Illinois**  
**General Fund**  
**Schedule of Expenditures – Budget and Actual**  
**Year Ended April 30, 2016**

	Final Budget	Actual	Variance from Final Budget Over (Under)
<b>Public Works</b>			
Street Division			
Personnel			
Wages	\$ 91,500	\$ 64,973	\$ (26,527)
Payroll taxes	7,000	3,723	(3,277)
Personnel benefits	1,800	1,250	(550)
Retirement benefits	6,000	3,352	(2,648)
Total personnel	<u>106,300</u>	<u>73,298</u>	<u>(33,002)</u>
Contractual services			
Maintenance	261,664	316,777	55,113
Engineering	<u>20,500</u>	<u>19,329</u>	<u>(1,171)</u>
Total contractual services	<u>282,164</u>	<u>336,106</u>	<u>53,942</u>
Commodities			
Street lighting	4,000	6,213	2,213
Equipment rental	3,500	11,543	8,043
Julie locates and messages	750	-	(750)
Maintenance supplies	9,750	9,846	96
Professional development	3,300	2,401	(899)
Office supplies	2,280	3,381	1,101
Other	<u>42,530</u>	<u>37,469</u>	<u>(5,061)</u>
Total commodities	<u>66,110</u>	<u>70,853</u>	<u>4,743</u>
Total current expenditures	<u>454,574</u>	<u>480,257</u>	<u>25,683</u>
Capital outlay			
Tree planting	46,000	49,455	3,455
Landscape beautification	53,734	49,034	(4,700)
Equipment	<u>9,000</u>	<u>9,582</u>	<u>582</u>
Total capital outlay	<u>108,734</u>	<u>108,071</u>	<u>(663)</u>
Debt service			
Principal	290,766	57,288	(233,478)
Interest	<u>2,564</u>	<u>12,013</u>	<u>9,449</u>
Total debt service	<u>293,330</u>	<u>69,301</u>	<u>(224,029)</u>
Total public works	<u>856,638</u>	<u>657,629</u>	<u>(199,009)</u>
Total expenditures	<u>\$ 2,193,101</u>	<u>\$ 1,947,081</u>	<u>\$ (246,020)</u>

**Village of Hainesville, Illinois**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**April 30, 2016**

	<b>Special Revenue Funds</b>		<b>Capital Project Funds</b>		<b>Total Nonmajor Governmental Funds</b>
	<b>Motor Fuel Tax</b>	<b>Special Service Area</b>	<b>Capital Projects Reserve</b>	<b>Water and Sewer Capital Reserve</b>	
<b>Assets</b>					
Cash	\$ 254,945	\$ 13,633	\$ 275,812	\$ 288,326	\$ 832,716
Property tax receivable	-	21,000	-	-	21,000
Intergovernmental receivable	<u>8,393</u>	-	-	-	<u>8,393</u>
Total assets	<u><u>\$ 263,338</u></u>	<u><u>\$ 34,633</u></u>	<u><u>\$ 275,812</u></u>	<u><u>\$ 288,326</u></u>	<u><u>\$ 862,109</u></u>
<b>Deferred Inflows of Resources and Fund Balances</b>					
Unearned property taxes	\$ -	\$ 21,000	\$ -	\$ -	\$ 21,000
<b>Fund Balances</b>					
Restricted for					
Maintenance of roadways	263,338	-	-	-	263,338
Maintenance of special service area	-	13,633	-	-	13,633
Committed to					
Capital purposes	-	-	275,812	288,326	564,138
Total fund balances	<u><u>263,338</u></u>	<u><u>13,633</u></u>	<u><u>275,812</u></u>	<u><u>288,326</u></u>	<u><u>841,109</u></u>
Total deferred inflows of resources and fund balances	<u><u>\$ 263,338</u></u>	<u><u>\$ 34,633</u></u>	<u><u>\$ 275,812</u></u>	<u><u>\$ 288,326</u></u>	<u><u>\$ 862,109</u></u>

**Village of Hainesville, Illinois**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Year Ended April 30, 2016**

	Special Revenue Funds		Capital Project Funds		Total Nonmajor Governmental Funds
	Motor Fuel Tax	Special Service Area	Capital Projects Reserve	Water and Sewer Capital Reserve	
<b>Revenues</b>					
Property taxes	\$ -	\$ 20,967	\$ -	\$ -	\$ 20,967
Intergovernmental	<u>102,912</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,912</u>
Total revenues	102,912	20,967	-	-	123,879
<b>Expenditures</b>					
Maintenance	-	23,055	-	-	23,055
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	102,912	(2,088)	-	-	100,824
<b>Other Financing Sources</b>					
Transfers in	-	-	-	150,000	150,000
<b>Net Change in Fund Balances</b>	102,912	(2,088)	-	150,000	250,824
<b>Fund Balance, Beginning of Year</b>	160,426	15,721	275,812	138,326	590,285
<b>Fund Balance, End of Year</b>	<u>\$ 263,338</u>	<u>\$ 13,633</u>	<u>\$ 275,812</u>	<u>\$ 288,326</u>	<u>\$ 841,109</u>

**Village of Hainesville, Illinois**  
**Motor Fuel Tax Fund**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balances – Budget and Actual**  
**Year Ended April 30, 2016**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance from Final Budget Over (Under)</b>
<b>Revenues</b>			
Motor fuel tax	\$ <u>102,730</u>	\$ 102,912	\$ <u>182</u>
<b>Fund Balance, Beginning of Year</b>		<u>160,426</u>	
<b>Fund Balance, End of Year</b>		<u>\$ 263,338</u>	

**Village of Hainesville, Illinois**  
**Special Service Area Fund**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balances – Budget and Actual**  
**Year Ended April 30, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget Over (Under)</u>
<b>Revenues</b>			
Property taxes - SSA	\$ 21,000	\$ 20,967	\$ (33)
<b>Expenditures</b>			
Maintenance	<u>15,500</u>	<u>23,055</u>	<u>7,555</u>
<b>Change in Fund Balance</b>	<u>\$ 5,500</u>	<u>(2,088)</u>	<u>\$ (7,588)</u>
<b>Fund Balance, Beginning of Year</b>		<u>15,721</u>	
<b>Fund Balance, End of Year</b>		<u>\$ 13,633</u>	

**Village of Hainesville, Illinois**  
**Capital Projects Reserve Fund**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balances – Budget and Actual**  
**Year Ended April 30, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget Over (Under)</u>
<b>Fund Balance, Beginning of Year</b>		<u>\$ 275,812</u>	
<b>Fund Balance, End of Year</b>		<u>\$ 275,812</u>	

**Village of Hainesville, Illinois**  
**Capital Projects Fund – Water & Sewer**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balances – Budget and Actual**  
**Year Ended April 30, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget Over (Under)</u>
<b>Transfer In</b>	<u>\$ 36,926</u>	\$ 150,000	<u>\$ 113,074</u>
<b>Fund Balance, Beginning of Year</b>		<u>138,326</u>	
<b>Fund Balance, End of Year</b>		<u>\$ 288,326</u>	



## **Proprietary Fund Types**



**Village of Hainesville, Illinois**  
**Public Works Funds**  
**Combining Schedule of Revenues, Expenses**  
**and Changes in Net Position**  
**Year Ended April 30, 2016**

	Sanitation	Water & Sewer	Total
<b>Operating Revenues</b>			
Charges for services	<u>\$ 162,043</u>	<u>\$ 746,373</u>	<u>\$ 908,416</u>
<b>Operating Expenses</b>			
Personnel service	-	58,234	58,234
Contractual services	153,606	402,299	555,905
Commodities	7,587	29,767	37,354
Capital outlay	-	5,408	5,408
Operating expenses before depreciation	<u>161,193</u>	<u>495,708</u>	<u>656,901</u>
Depreciation	-	143,056	143,056
Total operating expenses	<u>161,193</u>	<u>638,764</u>	<u>799,957</u>
<b>Operating Income</b>	<u>850</u>	<u>107,609</u>	<u>108,459</u>
<b>Nonoperating Revenues (Expenses)</b>			
Investment income	-	11	11
Interest expense and executory costs	-	(5,268)	(5,268)
Total nonoperating revenues (expenses)	<u>-</u>	<u>(5,257)</u>	<u>(5,257)</u>
<b>Income Before Transfer</b>	<u>850</u>	<u>102,352</u>	<u>103,202</u>
<b>Transfers</b>			
Transfers out	-	(150,000)	(150,000)
<b>Change in Net Position</b>	<u>\$ 850</u>	<u>\$ (47,648)</u>	<u>(46,798)</u>
<b>Net Position</b>			
Beginning - as previously reported			7,627,609
Restatement for adoption of GASB 68 (see Note 11)			<u>(12,425)</u>
Beginning - as restated			<u>7,615,184</u>
Ending	<u>\$ 7,568,386</u>		

**Village of Hainesville, Illinois**  
**Sanitation Fund**  
**Schedule of Revenues and Expenses – Budget and Actual**  
**Year Ended April 30, 2016**

	Final Budget	Actual	Variance from Final Budget Over (Under)
<b>Operating Revenues</b>			
Charges for services			
Garbage charges	\$ 158,950	\$ 157,258	\$ (1,692)
Yard waste stickers	4,700	4,785	85
Total operating revenues	<u>163,650</u>	<u>162,043</u>	<u>(1,607)</u>
<b>Operating Expenses</b>			
Contractual services			
Garbage contract	<u>156,000</u>	<u>153,606</u>	<u>(2,394)</u>
Commodities			
Yard waste stickers	4,700	7,587	2,887
Utility system	11,500	-	(11,500)
Other	750	-	(750)
Total commodities	<u>16,950</u>	<u>7,587</u>	<u>(9,363)</u>
Capital outlay			
Equipment	750	-	(750)
Total operating expenses	<u>173,700</u>	<u>161,193</u>	<u>(12,507)</u>
<b>Operating Income (Loss)</b>	<b><u>\$ (10,050)</u></b>	<b><u>\$ 850</u></b>	<b><u>\$ 10,900</u></b>

**Village of Hainesville, Illinois**  
**Water & Sewer Fund**  
**Schedule of Revenues and Expenses – Budget and Actual**  
**Year Ended April 30, 2016**

	Final Budget	Actual	Variance from Final Budget Over (Under)
<b>Operating Revenues</b>			
Charges for services			
Water sales	\$ 444,850	\$ 437,173	\$ (7,677)
Sewer charges	292,100	294,432	2,332
Miscellaneous	15,160	14,768	(392)
Total operating revenues	<u>752,110</u>	<u>746,373</u>	<u>(5,737)</u>
<b>Operating Expenses Excluding Depreciation</b>			
Personnel			
Wages	53,500	46,736	(6,764)
Payroll taxes	5,000	3,256	(1,744)
Retirement benefits	5,000	8,242	3,242
Total personnel	<u>63,500</u>	<u>58,234</u>	<u>(5,266)</u>
Contractual Services			
Accounting services	7,200	7,200	-
Engineering services	12,000	6,629	(5,371)
Legal services	2,500	400	(2,100)
Insurance	8,500	7,200	(1,300)
Water and lift station services	44,000	46,289	2,289
Maintenance services	39,220	26,797	(12,423)
Water disposal	277,000	275,721	(1,279)
Electric services	24,000	23,773	(227)
Professional development	7,520	8,290	770
Total contractual services	<u>421,940</u>	<u>402,299</u>	<u>(19,641)</u>
Commodities			
Maintenance supplies	4,000	5,483	1,483
Miscellaneous office expenses	1,800	2,129	329
Communication	4,730	4,880	150
Office supplies	13,950	10,526	(3,424)
Computer software and support	8,100	6,680	(1,420)
Other	400	69	(331)
Total commodities	<u>32,980</u>	<u>29,767</u>	<u>(3,213)</u>
Total current expenses	<u>518,420</u>	<u>490,300</u>	<u>(28,120)</u>

**Village of Hainesville, Illinois**  
**Water & Sewer Fund**  
**Schedule of Revenues and Expenses – Budget and Actual**  
**Year Ended April 30, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget Over (Under)</u>
Capital outlay			
Watermain improvements	\$ 120,000	\$ 1,375	\$ (118,625)
Utilities	1,000	4,033	3,033
Total capital outlay	<u>121,000</u>	<u>5,408</u>	<u>(115,592)</u>
Operating expenses before depreciation	639,420	495,708	(143,712)
Depreciation	-	143,056	(143,056)
Total operating expenses	<u>639,420</u>	<u>638,764</u>	<u>(656)</u>
<b>Operating Income</b>	<b>\$ 112,690</b>	<b>\$ 107,609</b>	<b>\$ (5,081)</b>

## **Supplemental Information**



**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**

<b>Tax Levy Year</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>Assessed Valuation</b>	<u>\$ 53,070,606</u>	<u>\$ 52,811,974</u>	<u>\$ 55,735,833</u>	<u>\$ 61,909,340</u>
<b>Tax Rates</b>				
Corporate	0.188	0.189	0.216	0.194
Police Protection	<u>0.600</u>	<u>0.600</u>	<u>0.600</u>	<u>0.600</u>
Total tax rates	<u><u>0.788</u></u>	<u><u>0.789</u></u>	<u><u>0.816</u></u>	<u><u>0.794</u></u>
<b>Tax Extensions</b>				
Corporate	\$ 100,000	\$ 100,000	\$ 120,389	\$ 120,104
Police Protection	318,424	316,871	334,415	371,456
SSA	<u>21,000</u>	<u>21,000</u>	<u>20,461</u>	<u>-</u>
Total tax extensions	<u><u>\$ 439,424</u></u>	<u><u>\$ 437,871</u></u>	<u><u>\$ 475,265</u></u>	<u><u>\$ 491,560</u></u>
<b>Collections</b>	\$ -	\$ 436,801	\$ 474,338	\$ 489,879
<b>Collection Rate</b>	-	99.76%	99.80%	99.66%

<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
\$ 74,523,547	\$ 85,623,172	\$ 89,598,982	\$ 92,261,700	\$ 87,855,893	\$ 84,282,626
0.163	0.132	0.152	0.143	0.140	0.150
0.600	0.555	0.548	0.534	0.541	0.541
<u>0.763</u>	<u>0.687</u>	<u>0.700</u>	<u>0.677</u>	<u>0.681</u>	<u>0.691</u>
\$ 121,473	\$ 113,023	\$ 136,190	\$ 131,934	\$ 122,998	\$ 126,424
447,141	475,209	491,002	492,677	475,300	455,969
-	-	-	22,120	22,120	5,560
<u>\$ 568,614</u>	<u>\$ 588,231</u>	<u>\$ 627,193</u>	<u>\$ 646,732</u>	<u>\$ 620,418</u>	<u>\$ 587,953</u>
\$ 566,331	\$ 587,900	\$ 625,960	\$ 645,127	\$ 618,972	\$ 582,023
99.60%	99.94%	99.80%	99.75%	99.77%	98.99%

