

**ALGONQUIN TOWNSHIP  
McHENRY COUNTY, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED MARCH 31, 2015**

## CONTENTS

	<u>PAGE</u>
<b>INDEPENDENT AUDITOR'S REPORT .....</b>	<b>1-2</b>
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS .....</b>	<b>3-10</b>
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS -</b>	
STATEMENT OF NET POSITION.....	11
STATEMENT OF ACTIVITIES.....	12
<b>FUND FINANCIAL STATEMENTS -</b>	
BALANCE SHEET – GOVERNMENTAL FUNDS.....	13
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION.....	14
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS .....	15
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES.....	16
<b>NOTES TO FINANCIAL STATEMENTS .....</b>	<b>17-31</b>
<b>REQUIRED SUPPLEMENTARY INFORMATION – MAJOR FUNDS</b>	
BUDGETARY COMPARISON SCHEDULE - TOWN FUND.....	32-35
BUDGETARY COMPARISON SCHEDULE - ROAD AND BRIDGE FUND .....	36-38
BUDGETARY COMPARISON SCHEDULE - EQUIPMENT AND BUILDING FUND .....	39
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION .....	40
<b>OTHER INFORMATION – NON-MAJOR FUND</b>	
BUDGETARY COMPARISON SCHEDULE - GENERAL ASSISTANCE FUND.....	41-42

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*“Our 52<sup>nd</sup> Year”*

INDEPENDENT AUDITOR’S REPORT

Township Supervisor  
and Board of Trustees  
Algonquin Township  
Crystal Lake, Illinois 60014

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Algonquin Township, McHenry County, Illinois as of and for the year ended March 31, 2015, and the related notes to the financial statements, which collectively comprise the Township’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 free from material misstatement, whether due to fraud or error.

**Auditor’s Responsibility**

Our responsibility is to express opinions on the 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 the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free of 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 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 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, each major fund, and the aggregate remaining fund information of Algonquin Township as of March 31, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America requires the management's discussion and analysis and budgetary comparison information (as referenced 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. These limited procedures consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Algonquin Township's financial statements as a whole. The schedules of expenditures compared to budget are presented for purposes of additional analysis and are not a required part of the financial statements.

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

## ***Brown & Co.***

Brown & Co., LLP, CPA's  
Woodstock, Illinois  
September 3, 2015

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

**ALGONQUIN TOWNSHIP**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**MARCH 31, 2015**

Within this section, Algonquin Township's (the "Township") management is providing a narrative discussion and analysis of the financial activities of the Township for the fiscal year ended March 31, 2015, based on currently known facts, decisions, and conditions. This narrative discusses and analyzes the activity within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the Township's primary government and should be read in conjunction with the Independent Auditor's Report on pages 1 and 2 and the Township's financial statements. The financial statements include government-wide financial statements, fund financial statements, and notes to the financial statements.

**Government-Wide Financial Statements**

The Township's annual reports include two government-wide financial statements, which provide a broad overview of the Township's finances as a whole. These statements provide both long-term and short-term information about the Township's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the ***Statement of Net Position***. This is the Township's statement of position presenting information that includes all the Township's assets, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township as a whole is improving or deteriorating. Evaluation of the overall health of the Township may extend to various non-financial factors as well.

The second government-wide statement is the ***Statement of Activities***, which reports how the Township's net revenues and expenses changed during the current fiscal year. The design of this statement is to show the financial reliance of the Township's activities or functions on the revenues generated by the Township.

Both government-wide financial statements distinguish governmental activities of the Township principally supported by taxes, intergovernmental revenues, and grants, from business-type activities intended to recover all or a significant portion of their costs through user fees and charges. The Township does not have any funds considered business-type activities.

**Fund Financial Statements**

The Township uses funds (accountability units) to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Township's most significant funds rather than the Township as a whole. All funds of the Township are governmental funds. Governmental funds are reported in the fund financial statements and encompass essentially the same functions as governmental activities in the government-wide financial statements except with a different focus on the financial activity. These statements report short-term fiscal accountability focusing on the use of spendable resources and the balances of those spendable resources available at the end of the fiscal year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term. Since the focus of the government-wide financial statements includes a long-term view, a reconciliation of the fund balances has been provided showing their relationship to net position.

**ALGONQUIN TOWNSHIP**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**MARCH 31, 2015**

**Notes to the Financial Statements**

The accompanying notes to the financial statements provide information essential to a full understanding of both the government-wide and fund financial statements

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Other supplementary information includes detail by fund for revenues, expenditures, other financing sources and uses, fund transfers and budgetary comparison schedules.

**Financial Analysis of the Township as a Whole**

Over time, as year-to-year financial information is accumulated, changes in net position may be observed and used to discuss the changing financial position of the Township as a whole.

As of the end of the current fiscal year, the Township's combined governmental net position of \$12,372,901 increased by \$661,676 over last year. Of the total amount, \$1,464,798 or 11.84% constitutes unrestricted net position available for spending at the Township's discretion to meet the government's ongoing obligations to citizens and creditors. Net position restricted for specific purposes or by enabling legislation constitutes \$2,586,200 or 20.90% of the total amount. The remaining \$8,321,903 or 67.26% of net position is invested in capital assets and is also restricted as to its use.

The following table presents a condensed summary of the Township's net position as of March 31, 2015 and 2014:

	Net Position	
	Governmental Activities	
	2015	2014
Current and Other Assets	\$ 9,151,510	\$ 9,131,320
Capital Assets (Net of Depreciation)	9,051,626	8,519,129
Total Assets	<u>\$ 18,203,136</u>	<u>\$ 17,650,449</u>
Current Liabilities	\$ 426,901	\$ 456,298
Long-Term Liabilities	697,304	758,587
Total Liabilities	<u>\$ 1,124,205</u>	<u>\$ 1,214,885</u>
Deferred Inflows of Resources	\$ 4,706,030	\$ 4,724,339
Net Position:		
Invested in Capital Assets		
(Net of Depreciation and Related Debt)	\$ 8,321,903	\$ 7,732,880
Restricted	2,586,200	2,493,378
Unrestricted	1,464,798	1,484,967
Total Net Position	<u>\$ 12,372,901</u>	<u>\$ 11,711,225</u>

**ALGONQUIN TOWNSHIP**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**MARCH 31, 2015**

**Financial Analysis of the Township as a Whole (Continued)**

The following are significant current year transactions having a significant impact on the Statement of Net Position: Net capital asset acquisitions of \$864,696, decrease in loan principal of \$58,676 and decrease in accounts payable of \$27,489.

The following table presents a condensed summary of the Township's changes in net position for the years ended March 31, 2015 and 2014:

	Changes in Net Position Governmental Activities	
	2015	2014
Revenues:		
Program Revenues -		
Bus, Recycling and Building Revenues	\$ 48,582	\$ 50,234
Court Fines	5,709	5,573
Operating Grants and Contributions	-	18,709
Capital Grants and Contributions	-	341,681
General Revenues -		
Property Taxes	4,721,998	4,671,496
State Replacement Taxes	110,064	133,994
Interest Income	11,454	15,897
Other General Revenues	46,595	98,972
Total Revenues	\$ 4,944,402	\$ 5,336,556
Expenses:		
General Government	\$ 2,013,752	\$ 1,841,569
Road and Bridge	2,094,368	2,418,918
Community Services and Support	174,389	172,667
Cemetery	5,300	5,300
Interest on Long-Term Debt	34,541	45,146
Total Expenses	\$ 4,322,350	\$ 4,483,600
Excess (Deficiency) before Special Items	\$ 622,052	\$ 852,956
Special Items:		
Gain on Disposal of Assets	39,624	-
Change in Net Position	661,676	852,956
Net Position - Beginning of Year	11,711,225	10,858,269
Net Position - End of Year	\$ 12,372,901	\$ 11,711,225

As evidenced by the data presented above, the Township's financial condition has improved as a result of its governmental activities. This improvement is primarily due to decreased expenses, particularly in Road and Bridge. Net position has increased and the Township continues to finance operations without incurring additional debt.



**ALGONQUIN TOWNSHIP**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**MARCH 31, 2015**

**Financial Analysis of the Township Funds**

The Township reports the following major governmental funds:

The **Town Fund** is the general operating fund of the Township and is used to account for all financial resources except those required, legally or by sound financial management, to be accounted for in another fund. The balance of the Town Fund at March 31, 2015 was \$1,531,801, decreasing \$5,963 (less than 1%) from last year. Significant transactions were property tax receipts and salary payments to Township officials.

The **Road & Bridge Fund** accounts for financial resources used to maintain and preserve the Township's roads and is restricted in its use by enabling legislation. It also includes the amounts levied and expended for social security taxes, retirement contributions, liability insurance premiums and audit fees. The balance of the Road and Bridge Fund at March 31, 2015 was \$976,391, decreasing \$94,623, or 34% from last year. Significant transactions were property tax receipts, contractual payments for road maintenance and purchases of fuel and lubricants.

The **Equipment & Building Fund** is used to account for the accumulation of resources to use in the acquisition or construction of major capital purchases and facilities and is restricted in its use by enabling legislation. The balance of the Building and Equipment Fund at March 31, 2015 was \$1,268,637, increasing \$111,323, or 28% over last year. Significant transactions were property tax revenues and capital outlay for building improvements and the acquisition of new equipment.

The Township reports the following non-major governmental fund:

The **General Assistance Fund** accounts for financial resources used to provide financial relief to disadvantaged individuals in the Township and is restricted in its use by enabling legislation. The balance of the General Assistance Fund at March 31, 2015 was \$307,643. Significant transactions were property tax revenues and assistance payments.

**Capital Assets**

Algonquin Township's investment in capital assets for its governmental activities as of March 31, 2015, amounts to \$9,051,626 (net of accumulated depreciation). Investment in capital assets includes road and bridge infrastructure, land, buildings and improvements, vehicles and equipment. The net increase in Algonquin Township's investment in capital assets for the current fiscal year was \$532,497, or 6.25%. The Township added capital assets of \$1,195,994 and disposed of capital assets with a cost basis of \$331,298 and accumulated depreciation of \$281,684.

**ALGONQUIN TOWNSHIP**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**MARCH 31, 2015**

**Capital Assets (Continued)**

Major capital asset acquisitions during the current fiscal year included the following:

<u>Date</u>	<u>Description</u>	<u>Cost</u>
5/14/14	4 in 1 Bucket for John Deere 644K	\$ 17,500
6/11/14	A770 All-Wheel Steer Loader (iT4)	52,385
6/11/14	2013 Used Weiler Asphalt Paver	133,023
7/9/14	BM 24' Roadhog Planer	14,799
8/13/14	NSTAR Diesel Hot Water Trailer	11,500
10/8/14	22hp Subaru Centrifugal Pump	19,490
11/12/14	2014 Road Program	371,592
11/12/14	HVAC - Main Building	32,296
12/10/14	New Roof - Main Building	111,105
12/10/14	2013 International Workstar Truck	178,502
2/11/15	2014 John Deere 333E Track Loader	23,869
3/31/15	John Deere 672GP Motor Grader	<u>178,500</u>
	Capital Outlay Expenditures over Thresholds	\$1,144,561
	Adjusted Basis of Equipment Traded In	<u>51,433</u>
	Capital Asset Acquisitions per Depreciation Schedule	<u>\$1,195,994</u>

Capital asset acquisitions were paid from the Town, Road and Bridge, and Building and Equipment funds.

Following below is a summary of the Township's capital assets (net of depreciation) as of March 31, 2015 and 2014:

	<u>Governmental Activities</u>	
	<u>2015</u>	<u>2014</u>
Land	\$ 1,430,175	\$ 1,430,175
Road and Bridge Infrastructure	1,971,605	1,638,728
Buildings and Improvements	2,559,932	2,494,645
Trucks, Tractors, and Trailers	653,219	834,129
Road Equipment	2,265,181	1,924,435
Vehicles	14,498	21,458
Office Furniture and Equipment	<u>157,016</u>	<u>175,559</u>
Total	<u>\$ 9,051,626</u>	<u>\$ 8,519,129</u>

For more detailed information regarding the Township's capital assets, please refer to Note 7 in the Notes to Financial Statements on pages 26-27.

**ALGONQUIN TOWNSHIP**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**MARCH 31, 2015**

**Debt**

As of March 31, 2015 the Township had \$729,723 in long-term debt outstanding which consisted entirely of general obligation bonds. The Township's total debt decreased by \$56,526. Following below is a summary of the Township's long-term debt as of March 31, 2015 and 2014:

	Governmental Activities	
	2015	2014
General Obligation Bonds	\$ 729,723	\$ 786,249
Total	\$ 729,723	\$ 786,249

For more detailed information regarding the Township's long-term debt, please refer to Note 8 in the Notes to Financial Statements on pages 28-29.

**Economic Factors**

Normal inflation will impact next year's budget. Due to the changing housing market, assessed valuations have been declining since the 2009 tax year, although the decline for the 2014 real estate tax year (4%) was not as much as previous years (10%). In order to continue to provide the resources needed for annual budgets, taxing bodies have had to increase their tax rates. Algonquin Township is well below the statutory maximum tax rates for the Township and Equipment and Building Funds, but if the current trend continues, the Road and Bridge Fund will be at the maximum tax rate in the 2017 tax year, which will affect the fiscal 2018 budget.

**Fund Restrictions**

There are no restrictions, commitments, or other limitations affecting the availability of the Town Fund resources. All other funds of the Township are restricted in purpose by enabling legislation.

**ALGONQUIN TOWNSHIP**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**MARCH 31, 2015**

**Budget Variations**

There are several major variations of actual income and expenses from the original and final budget amounts. Here is a summary of these variations and the reasons for them:

<u>Fund</u>	<u>Item</u>	<u>Budget</u>	<u>Actual</u>
Town	Salaries Expense	\$ 400,000	\$ 351,979
Explanation	Salary budget not adjusted for portion paid from General Assistance Fund		
Town	Printing and Publishing	\$ 40,000	\$ 10,797
Explanation	Printing and Publishing less than anticipated		
Town	Capital Outlay - Equipment	\$ 45,000	\$ 7,094
Explanation	Equipment Capital Outlay less than anticipated		
Town	Capital Outlay - Expansion and Development	\$ 20,000	\$ -
Explanation	Expansion and Development not expended		
Town	Technical Support - Assessor	\$ 65,000	\$ 31,392
Explanation	Assessor's Technical Support less than anticipated		
Town	Computer Software - Assessor	\$ 30,000	\$ 7,362
Explanation	Part of expenditure reclassified to prepaid software subscription		
General Assistance	General Assistance Home Relief	\$ 233,500	\$ 129,953
Explanation	General Assistance Home Relief less than anticipated		
Road & Bridge	Property Tax Revenue	\$ 2,538,000	\$ 1,675,834
Explanation	The gross amount of Property Tax Revenue before payments to municipalities was used in the ordinance by mistake		
Road & Bridge	Grant Income	\$ 25,000	\$ -
Explanation	No grants obtained during the fiscal year		
Road & Bridge	Sale of Capital Assets	\$ -	\$ 56,000
Explanation	Asset sales not included in budget		
Road & Bridge	Retirement Contribution	\$ 100,100	\$ 69,730
Explanation	Retirement Contribution less than anticipated		
Road & Bridge	Legal Services	\$ 30,000	\$ 9,144
Explanation	Legal Services less than anticipated		
Road & Bridge	Liability Insurance	\$ 90,100	\$ 48,104
Explanation	Liability Insurance premiums less than anticipated		

**ALGONQUIN TOWNSHIP**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**MARCH 31, 2015**

**Budget Variations (continued)**

<u>Fund</u>	<u>Item</u>	<u>Budget</u>	<u>Actual</u>
Road & Bridge Explanation	Salaries - Maintenance Employee not replaced; less overtime for snow plowing	\$ 750,000	\$ 666,065
Road & Bridge Explanation	Maintenance - Roads Road Maintenance more than anticipated	\$ 500,000	\$ 589,170
Road & Bridge Explanation	Non-Dedicated Roads Less work requested by subdivisions	\$ 30,000	\$ 6,674
Road & Bridge Explanation	Fuel and Lubricants Decrease in price of fuel	\$ 120,000	\$ 91,293
Road & Bridge Explanation	Supplies - Equipment Equipment Supplies less than anticipated	\$ 100,000	\$ 67,134
Road & Bridge Explanation	Road Supplies Road Supplies less than anticipated	\$ 110,000	\$ 25,478
Road & Bridge Explanation	Grant Expense Grant Expense less than anticipated	\$ 25,000	\$ 2,944
Building & Equipment Explanation	Capital Outlay - Building Upgrades Building Upgrades less than anticipated	\$ 800,000	\$ 198,929
Building & Equipment Explanation	Capital Outlay - Equipment, Vehicles and Machinery Equipment, Vehicles and Machinery purchases less than anticipated	\$ 850,000	\$ 665,348
Building & Equipment Explanation	Debt Service Principal Payments Debt Service Principal Payments less than anticipated	\$ 180,000	\$ 28,262

**Requests for Information**

This financial report is designed to provide a general overview of Algonquin Township's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Algonquin Township, c/o Township Supervisor, 3702 US Highway 14, Crystal Lake, IL 60014-8204.

**GOVERNMENT – WIDE**  
**FINANCIAL STATEMENTS**

**ALGONQUIN TOWNSHIP**  
**STATEMENT OF NET POSITION**  
**MARCH 31, 2015**

**Governmental Activities**

**Assets**

Cash and Cash Equivalents - Unrestricted	\$ 1,250,472
Cash and Cash Equivalents - Restricted	2,023,001
Investments - Unrestricted	305,718
Investments - Restricted	753,178
Property Taxes Receivable	4,706,030
Other Receivables	25,441
Prepaid Insurance	14,217
Prepaid Software Subscription	18,107
Inventory - Road Salt	55,346
Capital Assets (Net of Depreciation)	<u>9,051,626</u>
<b>Total Assets</b>	<b><u>\$18,203,136</u></b>

**Liabilities, Deferred Inflows and Net Position**

**Liabilities:**

Accounts Payable	\$ 306,342
Refundable Culvert Bonds	5,000
Accrued Payroll and Taxes	49,666
Accrued Interest	6,797
Long-Term Liabilities -	
Due Within One Year	59,096
Due in More Than One Year	<u>697,304</u>
<b>Total Liabilities</b>	<b><u>\$ 1,124,205</u></b>

**Deferred Inflows of Resources:**

Deferred Revenues - Taxes	<u>\$ 4,706,030</u>
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**Net Position:**

Invested in Capital Assets	
(Net of Depreciation and Related Debt)	\$ 8,321,903
Restricted	2,586,200
Unrestricted	<u>1,464,798</u>
<b>Total Net Position</b>	<b><u>\$12,372,901</u></b>

<b>Total Liabilities, Deferred Inflows and Net Position</b>	<b><u>\$18,203,136</u></b>
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**ALGONQUIN TOWNSHIP**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED MARCH 31, 2015**

<u>Functions/Programs</u>	<u>Total Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services and Fines</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:					
General Government	\$ 2,013,752	\$ 12,021	\$ -	\$ -	\$ (2,001,731)
Roads and Bridges	2,094,368	11,743	-	-	(2,082,625)
Community Services and Support	174,389	30,527	-	-	(143,862)
Cemetery	5,300	-	-	-	(5,300)
Interest on Long-Term Debt	34,541	-	-	-	(34,541)
Total Governmental Activities	<u>\$ 4,322,350</u>	<u>\$ 54,291</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,268,059)</u>
		<b>General Revenues:</b>			
					\$ 4,721,998
					110,064
					11,454
					<u>46,595</u>
					<b>Total General Revenues</b>
					<u>\$ 4,890,111</u>
		<b>Special Item:</b>			
					\$ 39,624
					<u>39,624</u>
					<b>Change in Net Position</b>
					\$ 661,676
					<u>661,676</u>
					<b>Net Position - April 1, 2014</b>
					<u>11,711,225</u>
					<b>Net Position - March 31, 2015</b>
					<u>\$ 12,372,901</u>

See Accompanying Notes to the Financial Statements and Independent Auditor's Report



**FUND FINANCIAL STATEMENTS**

**ALGONQUIN TOWNSHIP**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**MARCH 31, 2015**

	<u>Town Fund</u>	<u>Road and Bridge Fund</u>	<u>Equipment and Building Fund</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b><u>Assets</u></b>					
Cash and Cash Equivalents - Unrestricted	\$ 1,250,472	\$ -	\$ -	\$ -	\$ 1,250,472
Cash and Cash Equivalents - Restricted	-	638,462	1,076,396	308,143	2,023,001
Investments - Unrestricted	305,718	-	-	-	305,718
Investments - Restricted	-	378,004	375,174	-	753,178
Property Taxes Receivable	1,578,539	1,676,467	1,229,183	221,841	4,706,030
Other Receivables	4,431	21,010	-	-	25,441
Prepaid Insurance	4,834	9,383	-	-	14,217
Prepaid Software Subscription	18,107	-	-	-	18,107
Inventory - Road Salt	-	55,346	-	-	55,346
<b>Total Assets</b>	<b><u>\$ 3,162,101</u></b>	<b><u>\$ 2,778,672</u></b>	<b><u>\$ 2,680,753</u></b>	<b><u>\$ 529,984</u></b>	<b><u>\$ 9,151,510</u></b>
<b><u>Liabilities, Deferred Inflows and Fund Balances</u></b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 15,556	\$ 107,353	\$ 182,933	\$ 500	\$ 306,342
Refundable Culvert Bonds	-	5,000	-	-	5,000
Accrued Payroll and Taxes	36,205	13,461	-	-	49,666
<b>Total Liabilities</b>	<b><u>\$ 51,761</u></b>	<b><u>\$ 125,814</u></b>	<b><u>\$ 182,933</u></b>	<b><u>\$ 500</u></b>	<b><u>\$ 361,008</u></b>
<b>Deferred Inflows of Resources:</b>					
Deferred Revenues - Taxes	<u>\$ 1,578,539</u>	<u>\$ 1,676,467</u>	<u>\$ 1,229,183</u>	<u>\$ 221,841</u>	<u>\$ 4,706,030</u>
<b>Fund Balances:</b>					
Nonspendable: Prepaid Expenses and Inventory	\$ 22,941	\$ 64,729	\$ -	\$ -	\$ 87,670
Restricted Funds	-	911,662	1,268,637	307,643	2,487,942
Unassigned Funds	1,508,860	-	-	-	1,508,860
<b>Total Fund Balances</b>	<b><u>\$ 1,531,801</u></b>	<b><u>\$ 976,391</u></b>	<b><u>\$ 1,268,637</u></b>	<b><u>\$ 307,643</u></b>	<b><u>\$ 4,084,472</u></b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b><u>\$ 3,162,101</u></b>	<b><u>\$ 2,778,672</u></b>	<b><u>\$ 2,680,753</u></b>	<b><u>\$ 529,984</u></b>	<b><u>\$ 9,151,510</u></b>

See Accompanying Notes to the Financial Statements and Independent Auditor's Report

**ALGONQUIN TOWNSHIP**  
**RECONCILIATION OF THE BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**MARCH 31, 2015**

Total Fund Balances - Governmental Funds (page 13) \$ 4,084,472

Amounts reported for governmental activities in the government-wide  
Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial  
resources and therefore are not reported in the fund financial  
statements (page 11) 9,051,626

Some liabilities do not represent uses of current financial resources  
and are therefore not reported as liabilities in the fund financial statements:

Long-Term Debt (Note 8 on page 28)	(729,723)
Compensated Absences (Note 8 on page 28)	(26,677)
Accrued Interest (page 11)	<u>(6,797)</u>

Total Net Position - Governmental Activities (page 11) \$ 12,372,901

**ALGONQUIN TOWNSHIP**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED MARCH 31, 2015**

	<u>Town Fund</u>	<u>Road and Bridge Fund</u>	<u>Equipment and Building Fund</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>Revenues:</b>					
Property Taxes	\$ 1,577,731	\$ 1,675,834	\$ 1,228,539	\$ 239,894	\$ 4,721,998
State Replacement Taxes	16,792	78,904	12,406	1,962	110,064
Interest Income	3,634	3,409	3,745	666	11,454
Bus, Recycling and Building Revenues	12,021	36,561	-	-	48,582
Court Fines	-	5,709	-	-	5,709
Other General Revenues	1	45,590	-	1,004	46,595
<b>Total Revenues</b>	<u>\$ 1,610,179</u>	<u>\$ 1,846,007</u>	<u>\$ 1,244,690</u>	<u>\$ 243,526</u>	<u>\$ 4,944,402</u>
<b>Expenditures:</b>					
Current:					
General Government	\$ 1,360,039	\$ 521,808	\$ 12,555	\$ 54,461	\$ 1,948,863
Road and Bridge	-	1,680,384	-	-	1,680,384
Community Services and Support	37,477	-	-	129,953	167,430
Cemetery	5,300	-	-	-	5,300
Capital Outlay	167,465	5,113	864,277	-	1,036,855
Debt Service:					
Principal	28,263	-	28,262	-	56,525
Interest	17,598	-	17,598	-	35,196
<b>Total Expenditures</b>	<u>\$ 1,616,142</u>	<u>\$ 2,207,305</u>	<u>\$ 922,692</u>	<u>\$ 184,414</u>	<u>\$ 4,930,553</u>
<b>Excess Revenues or (Expenditures)</b>	\$ (5,963)	\$ (361,298)	\$ 321,998	\$ 59,112	\$ 13,849
<b>Special Item:</b>					
Sale of Capital Assets	-	56,000	-	-	56,000
<b>Other Financing Sources:</b>					
Transfers from (to) Other Funds	-	210,675	(210,675)	-	-
<b>Net Change in Fund Balances</b>	\$ (5,963)	\$ (94,623)	\$ 111,323	\$ 59,112	\$ 69,849
<b>Fund Balances - April 1, 2014</b>	<u>1,537,764</u>	<u>1,071,014</u>	<u>1,157,314</u>	<u>248,531</u>	<u>4,014,623</u>
<b>Fund Balances - March 31, 2015</b>	<u>\$ 1,531,801</u>	<u>\$ 976,391</u>	<u>\$ 1,268,637</u>	<u>\$ 307,643</u>	<u>\$ 4,084,472</u>

See Accompanying Notes to the Financial Statements and Independent Auditor's Report

**ALGONQUIN TOWNSHIP**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED MARCH 31, 2015**

Net change in fund balances of governmental funds (page 15) \$ 69,849

Amounts reported for governmental activities in the government-wide Statement of Activities are different because:

Capital outlays are reported in the fund financial statements as expenditures. However, in the government-wide statements they are capitalized and depreciated over their estimated useful lives.

Capital Asset Acquisitions	\$ 1,195,994	
Capital Asset Trade-ins	(33,238)	
Depreciation	<u>(613,883)</u>	548,873

In the Statement of Activities, the gain or loss on the sale of capital assets is recognized. The governmental fund financial statements recognize only the proceeds from these sales.

Gain on Sale of Capital Assets	\$ 39,624	
Proceeds from Sale of Capital Assets	<u>(56,000)</u>	(16,376)

Accrued Interest does not affect current financial resources and therefore is not reported in the fund financial statements. 654

Changes to the accrued liability for compensated absences do not affect current financial resources and therefore are not reported in the fund financial statements. 2,150

Debt principal payments are reported in the fund financial statements as expenditures. However, they are not reported in the government-wide Statement of Activities. In the government-wide Statement of Net Position they are reported as a reduction of long-term liabilities. 56,526

Change in net position of governmental funds (page 12) \$ 661,676

**NOTES TO FINANCIAL STATEMENTS**

**ALGONQUIN TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

Algonquin Township was established in 1850. The Township consists of approximately 47.9 square miles with the City of Crystal Lake as its center point. The Township services a population of approximately 103,121 citizens (as of the 2010 census). The Township is subject to local ordinances and the State of Illinois Statutes. The Board of Trustees, Supervisor, Clerk, Highway Commissioner, and Assessor are elected to their positions by the general election process in McHenry County.

The Township includes all funds and account groups of its primary government operations and any component units. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable or for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based on those criteria, the Algonquin Township Road District is a component of the primary government. As such, the accompanying financial statements include the activity and financial position of the Township's Road District using a blended presentation method.

The accounting and reporting policies of the Township included in the accompanying basic financial statements conform to Generally Accepted Accounting Principles (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

**Basis of Presentation**

The ***Statement of Net Position*** and the ***Statement of Activities*** display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The effect of inter-fund activity has been removed from these statements. The statements distinguish between governmental and business type activities, when applicable. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business type activities are financed in whole or in part by fees charged to external parties for goods or services.

The ***Statement of Activities*** demonstrates the degree to which the direct expenses of a given function, or segment, are offset by program revenues. Direct expenses are those which are clearly identifiable with a specific function. The Township does not allocate indirect expenses to its functions. Program revenues include charges for services, court fines and grants or contributions restricted to meeting the operating or capital requirements of a particular function. The Township's charges for services include charges to citizens who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Taxes and other items not properly included among program revenues are reported as general revenues.

**ALGONQUIN TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation (Continued)**

Fund financial statements of the reporting entity are organized into individual funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. 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. Funds are grouped into three broad categories depending on whether they are used to account for governmental activities (governmental funds), business-type activities (proprietary funds) or fiduciary activities (fiduciary funds). The Township does not conduct any business-type or fiduciary activities and, therefore, does not use proprietary or fiduciary funds.

Governmental fund types are those through which all governmental functions of the Township are financed. The Township's expendable financial resources are accounted for through governmental funds. The measurement focus is based upon determination of changes in financial position instead of net income determination. Governmental fund types include the General Fund, Special Revenue Funds, Capital Projects Funds, Debt Service Funds and Permanent Funds.

**Governmental Funds**

Funds are organized as major funds or non-major funds within the governmental statements. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the entity, meets certain quantitative criteria, or if its operations are deemed significant by the Township's management. The quantitative criteria for major fund inclusion require an individual fund to constitute at least 10% of the total assets, liabilities, revenues, or expenditures for all governmental funds. The Township reports the following major governmental funds:

The **Town Fund** is the general operating fund of the Township and is used to account for all financial resources except those required, legally or by sound financial management, to be accounted for in another fund.

The **Road & Bridge Fund** accounts for financial resources used to maintain and preserve the Township's roads and is restricted in its use by enabling legislation. It also includes the amounts levied and expended for social security taxes, retirement contributions, liability insurance premiums and audit fees.

The **Equipment & Building Fund** is used to account for the accumulation of resources to use in the acquisition or construction of major capital purchases and facilities and is restricted in its use by enabling legislation.

The Township reports the following non-major governmental fund:

The **General Assistance Fund** accounts for financial resources used to provide financial relief to disadvantaged individuals in the Township and is restricted in its use by enabling legislation.



**ALGONQUIN TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting**

In the government-wide **Statement of Net Position** and **Statement of Activities**, governmental activities are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or the economic asset is used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Finally, the **Statement of Net Position** reports both current and non-current assets and liabilities.

The current financial resources measurement focus and the modified accrual basis of accounting are followed by the governmental funds in the fund financial statements. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., both measurable and available to finance the Township's operations. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter (within 60 days) to be used to pay liabilities of the current period.

Property taxes are the primary revenue source susceptible to accrual and are recorded as revenue in the period covered by the appropriations they are intended to finance. All other revenues are recognized when earned. Expenditures are recorded when the related fund liability is incurred.

The Township reports deferred property tax revenues on its **Statement of Net Position**. Because of the extraordinarily long period of time between the levy date and the receipt of tax distributions from the county collector, property taxes are not "available" to finance the current year's expenditures. Therefore, the current year's tax levy is recorded as property taxes receivable and deferred inflows of resources.

**Measurement Focus**

On the government-wide **Statement of Net Position** and **Statement of Activities**, both governmental and business-type activities are presented using the flow of economic resources measurement focus. Under the economic resources measurement focus, all assets and liabilities (whether current or non-current) are included on the **Statement of Net Position** and the full accrual basis change in total net position is presented on the **Statement of Activities**.

The measurement focus of the fund financial statements is the flow of current financial resources. Under this focus, all sources and uses of financial resources, including capital outlays, debt proceeds and debt retirements are reflected in the **Statement of Revenues, Expenditures, and Changes in Fund Balance**. Only resources available to finance current expenditures and liabilities due in the current period are presented on the **Balance Sheet**.

**ALGONQUIN TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance**

The Township has adopted GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement's objective is to enhance the usefulness of fund balance information. As a result of this Statement, the titles and definitions of governmental fund balances have changed.

In the fund financial statements, governmental funds report fund balance in categories based on the level of constraint placed upon the funds. These levels are as follows:

**Nonspendable** – This category represents funds not in spendable form. As of March 31, 2015 \$87,670 was designated as nonspendable funds classified as prepaid expenses and inventory.

**Restricted** – This category represents funds limited in use due to constraints on purpose by enabling legislation. Restricted fund balances at March 31, 2015 totaled \$2,487,942 and were comprised of the following:

<u>Fund</u>	<u>Balance</u>
Road and Bridge	\$ 256,983
Social Security	178,467
Retirement	232,279
Insurance	162,891
Audit	81,042
Road and Bridge subtotal (page 13)	\$ 911,662
Equipment & Building	1,268,637
General Assistance	307,643
Total Restricted Funds (page 13)	\$2,487,942

**Committed** – This category represents funds limited in use due to constraints on purpose and circumstances of spending imposed by the Board. Such commitment is made via formal action by the Board and must be made prior to the end of the year. A commitment can only be modified or removed by the same formal action. There was no committed fund balance at March 31, 2015.

**Assigned** – This category represents intentions of the Board to use the funds for specific purposes. The Board has delegated the authority to assign amounts to be used for specific purposes to the Township Supervisor or his/her designee. There was no assigned fund balance at March 31, 2015.

**Unassigned** – This category includes the residual classification for the Township's General Fund and includes all spendable amounts not contained in other classifications.

When an expenditure is incurred for which multiple fund balances are available, the Township's policy is to use funds in the order of the most restrictive to the least restrictive.

**ALGONQUIN TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Position**

The government-wide financial statements are required to report three components of net position:

**Invested in capital assets, net of related debt** - This component of net position consists of capital assets net of accumulated depreciation and is reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings attributable to the acquisition, construction, or improvement of those assets.

**Restricted** - This component of net position consists of constraints placed on net asset use through external restrictions such as enabling legislation.

**Unrestricted** - This component of net position consists of net assets not meeting the definition of "restricted" or "invested in capital assets, net of related debt." When an expense is incurred for which both restricted and unrestricted resources are available for use, it is the Township's policy to use restricted resources first, then unrestricted resources as they are needed.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions affecting the reported amounts of assets, liabilities, contingent assets and liabilities, revenues and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

In accordance with the Public Funds Investment Act (30 ILCS 235), the Township is authorized to invest in the following types of instruments:

- a. Bonds, notes, certificates of indebtedness, treasury bills, or other securities guaranteed by the full faith and credit of the United States of America as to principal and interest.
- b. Bonds, notes, debentures, or similar obligations of the United States of America or its agencies.
- c. Interest-bearing savings accounts, certificates of deposit (CD's), time deposits, or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act.
- d. Short-term obligations (maturing within 180 days of the date of purchase) of corporations organized in the United States with assets exceeding \$500,000,000. Such obligations must be rated at the time of purchase at one of the 3 highest classifications established by at least 2 standard rating services. This type of obligation is limited to one-third of the Township's funds available for investment and cannot exceed 10% of the corporation's outstanding obligations.

**ALGONQUIN TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

**NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**

- e. Money market mutual funds registered under the Investment Company Act of 1940. The portfolio of any such money market mutual fund is limited to obligations described in (a) and (b) above or to agreements to repurchase such obligations.
- f. Repurchase agreements of government securities having the meaning set out by the Government Securities Act of 1986.
- g. Public funds in a Public Treasurer's Investment Pool created under Section 17 of the State Treasurer Act.

The Township's deposits and investments are subject to the following types of risk:

**Credit Risk** – This is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Township does not have any investments other than certificate of deposits and therefore is not subject to credit risk.

**Custodial Credit Risk** – For deposits, this is the risk that, in the event of a bank failure, the Township would not be able to recover its deposits. The Township's deposits with banks are subject to this risk to the extent they are not fully insured or collateralized. The Township's investment policy minimizes this risk by requiring all deposits above the Federal Deposit Insurance Corporation (FDIC) limit of \$250,000 to be collateralized by the pledging of additional securities by a third party institution in the Township's name. Following below is a summary of the Township's funds by collateralization category as of March 31, 2015:

	<b><u>Bank Balance</u></b>	<b><u>Book Balance</u></b>
Category One - Deposits covered by Federal Depository Insurance Corporation	\$ 1,526,049	\$ 1,526,049
Category Two - Deposits covered by collateral held by the pledging financial institution's trust department in the Township's name	2,806,321	2,807,592
Category Three - Deposits which are uninsured and uncollateralized	-	-
<b>Total</b>	<b><u>\$ 4,332,370</u></b>	<b><u>\$ 4,333,641</u></b>

**ALGONQUIN TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

**NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**

**Concentration of Credit Risk** – This is the risk an investor will suffer from lack of diversification. The Township is not subject to this risk.

**Interest Rate Risk** – This is the risk of changes in market interest rates will adversely affect the fair value of an investment. Instruments with longer maturities will generally have greater sensitivity to interest rate risk. The Township's investment policy addresses this risk by:

- a. Structuring the investment portfolio so securities mature to meet cash requirements for current operations, thus avoiding the need to sell securities on the open market before maturity.
- b. Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

**Foreign Current Risk** – This is the risk of changes in exchange rates will adversely affect the fair value of an investment or deposit. The Township is not subject to this risk.

Following below is a brief description of the Township's deposit and investment balances as of March 31, 2015:

**Cash and Cash Equivalents**

The Township's deposits include cash and cash equivalents which are considered to be cash on hand, demand deposits and short term investments with original maturities of three months or less from the date of acquisition. The Township maintains four interest bearing checking accounts, one savings account and four money market accounts with Fifth Third Bank, Home State Bank, Illinois State Bank and Crystal Lake Bank and Trust. At year end, the carrying (book) amount of the Township's deposits was \$3,273,473 and the bank balance was \$3,274,744, the difference being due to deposits in transit and outstanding checks. All accounts are fully collateralized.

**Investments**

The Township's investments consist of nine certificates of deposit (CD's) with FirstMerit Bank, BMO Harris Bank and Illinois State Bank. At year end, the carrying amount and bank balance of these CD's was \$1,058,896. All investments are reported at fair market value at March 31, 2015 and all accounts are fully collateralized.

**ALGONQUIN TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

**NOTE 3 – PROPERTY TAX REVENUE AND RECEIVABLE**

The Township levies property tax each year on all taxable real property located in the Township. The Township must file its tax levy ordinance with McHenry County by December of each year. Property taxes attach as an enforceable lien on property as of January 1. Tax bills are prepared by McHenry County and payments are due in two installments, usually June and September. The County collects the taxes and remits to the Township as received.

The Township's property tax levy is based on a combined budget and appropriations ordinance. Property taxes are recorded as revenue in the period covered by the appropriations they are intended to finance. Property tax receivables are created from the 2014 tax levy which is payable in June and September, 2015. Collections on the levy for the 2014 tax year have been deferred until the subsequent fiscal year.

A summary of the levies, assessed valuation, rates and amounts raised for the tax years 2014, 2013, and 2012 is as follows:

Tax Year	<u>2014</u>			<u>2013</u>			<u>2012</u>		
Assessed Valuation	<u>\$2,121,075,671</u>			<u>\$2,216,018,165</u>			<u>\$2,452,284,370</u>		
Fund	Levy	Rates	Amount Raised	Levy	Rates	Amount Raised	Levy	Rates	Amount Raised
Town (Corporate)	\$ 1,578,536	.0746	\$ 1,578,539	\$ 1,578,535	.0712	\$ 1,578,536	\$ 1,621,000	.0644	\$ 1,578,535
Public Assistance	221,832	.0105	221,841	240,005	.0108	240,017	240,000	.0098	240,005
Road and Bridge	2,576,076	.1217	2,576,080	2,576,070	.1162	2,576,077	2,538,000	.1035	2,538,016
Equipment & Building	1,229,181	.0580	1,229,183	1,229,165	.0555	1,229,181	1,211,000	.0494	1,211,012
Retirement	126,890	.0060	126,902	126,875	.0057	126,889	125,000	.0051	125,017
Audit	10,170	.0005	10,182	10,150	.0005	10,172	10,000	.0004	10,005
Liability Insurance	35,545	.0017	35,562	35,525	.0016	35,545	35,000	.0014	35,019
Social Security	71,068	.0033	71,082	71,050	.0032	71,067	70,000	.0028	70,013
Transfers To Other									
Municipalities	-	-	(1,143,341)	-	-	(1,143,146)	-	-	(1,126,392)
Totals	<u>\$5,849,298</u>	<u>.2763</u>	<u>\$ 4,706,030</u>	<u>\$5,867,375</u>	<u>.2647</u>	<u>\$ 4,724,338</u>	<u>\$5,850,000</u>	<u>.2368</u>	<u>\$4,681,230</u>

**ALGONQUIN TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

**NOTE 3 – PROPERTY TAX REVENUE AND RECEIVABLE (CONTINUED)**

Revenues and the related expenditures of special restricted tax levies are accounted for in the Road and Bridge Fund. Portions of the Road and Bridge Fund's equity represent the excess of cumulative revenues over cumulative expenditures which are restricted for specific future expenditures. There is no equity reserve balance for the special tax levies when the cumulative expenditures exceeded the cumulative revenues. A summary of the special restricted levy balances at March 31, 2015 is as follows:

<u>Special Levies</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Social Security	\$ 164,187	\$ 71,029	\$ (56,749)	\$ 178,467
Retirement	175,187	126,822	(69,730)	232,279
Insurance	175,468	35,527	(48,104)	162,891
Audit	<u>74,271</u>	<u>10,166</u>	<u>(3,395)</u>	<u>81,042</u>
Total	<u>\$ 589,113</u>	<u>\$ 243,544</u>	<u>\$ (177,978)</u>	<u>\$ 654,679</u>

**NOTE 4 – OTHER REVENUE RECEIVABLE**

Other revenue receivable as of March 31, 2015 was \$25,441 and consisted of personal property replacement taxes and fees charged to external parties for goods or services during the 2014-2015 fiscal year, but for which payment was not received until the following fiscal year. There is no doubt as to the collectability of these amounts.

**NOTE 5 – PREPAID EXPENSES**

Certain payments to vendors for goods, services and insurance are recorded as prepaid expenses in both the Statement of Net Position and the Balance Sheet as they reflect costs applicable to future periods. As of March 31, 2015, the Township's prepaid expenses of \$32,324 consisted of prepaid liability insurance in the amount of \$14,217 and a prepaid software subscription of \$18,107.

**NOTE 6 – INVENTORY**

Algonquin Township Road District maintains an inventory of road salt. The inventory is valued at cost and was \$55,346 at March 31, 2015.

**ALGONQUIN TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

**NOTE 7 – CAPITAL ASSETS**

Under GASB Statement No. 34, all capital assets whether owned by governmental activities or business-type activities, are recorded and depreciated in the government-wide financial statements. Capital assets are defined and set by policy as assets with an estimated useful life greater than one year and initial individual cost of more than \$5,000 for office furniture and equipment, \$10,000 for buildings, improvements and road equipment, and \$50,000 for road and bridge projects. Land is considered a capital asset regardless of initial cost. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation.

The costs of normal maintenance and repairs not adding to the value of the asset or materially extending asset lives are expensed as incurred. Major improvements, if they extend the life of the asset, are capitalized and depreciated over the remaining useful lives of the related capital assets. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the ***Statement of Activities***, with accumulated depreciation reflected in the ***Statement of Net Position***.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Road and Bridge Infrastructure	50 years
Buildings, Structures and Improvements	10 to 50 years
Vehicles, Trucks, Tractors, and Road Equipment	5 to 15 years
Office Furniture and Equipment	5 to 10 years

The Township has elected to use the modified approach in accounting for its road and bridges. The modified approach allows governments to report as expenses in lieu of depreciation, infrastructure expenditures which maintain the asset but do not add to or improve the asset. Road and bridge infrastructure assets include assets acquired subsequent to March 31, 2007.



**ALGONQUIN TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

**NOTE 7 – CAPITAL ASSETS (CONTINUED)**

The following is a summary of changes in capital assets for the fiscal year:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Non-Depreciable Capital Assets -</b>				
Land	\$ 1,430,175	\$ -	\$ -	\$ 1,430,175
<b>Total Non-Depreciable Capital Assets</b>	<u>\$ 1,430,175</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,430,175</u>
<b>Depreciable Capital Assets -</b>				
Road and Bridge Infrastructure	\$ 1,780,916	\$ 371,592	\$ -	\$ 2,152,508
Buildings and Improvements	3,393,283	143,401	-	3,536,684
Trucks, Tractors, and Trailers	3,043,800	-	-	3,043,800
Road Equipment	3,612,561	681,001	(331,298)	3,962,264
Vehicles	116,452	-	-	116,452
Office Furniture and Equipment	589,997	-	-	589,997
<b>Total Depreciable Capital Assets</b>	<u>\$ 12,537,009</u>	<u>\$ 1,195,994</u>	<u>\$ (331,298)</u>	<u>\$ 13,401,705</u>
<b>Accumulated Depreciation -</b>				
Road and Bridge Infrastructure	\$ 142,188	\$ 38,715	\$ -	\$ 180,903
Buildings and Improvements	898,638	78,114	-	976,752
Trucks, Tractors, and Trailers	2,209,671	180,910	-	2,390,581
Road Equipment	1,688,126	290,641	(281,684)	1,697,083
Vehicles	94,994	6,960	-	101,954
Office Furniture and Equipment	414,438	18,543	-	432,981
<b>Total Accumulated Depreciation</b>	<u>\$ 5,448,055</u>	<u>\$ 613,883</u>	<u>\$ (281,684)</u>	<u>\$ 5,780,254</u>
<b>Depreciable Capital Assets (Net)</b>	<u>\$ 7,088,954</u>	<u>\$ 582,111</u>	<u>\$ (49,614)</u>	<u>\$ 7,621,451</u>
<b>Total Capital Assets (Net)</b>	<u>\$ 8,519,129</u>	<u>\$ 582,111</u>	<u>\$ (49,614)</u>	<u>\$ 9,051,626</u>

Depreciation expense was charged to the following categories for the years ended March 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Governmental Activities:		
General Government	\$ 42,975	\$ 41,812
Community Services and Support	6,959	6,959
Roads and Bridges	563,949	591,260
Total	<u>\$ 613,883</u>	<u>\$ 640,031</u>

**ALGONQUIN TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

**NOTE 8 – LONG-TERM LIABILITIES**

The Township issued \$1,175,000 of debt certificates on August 31, 2004 to finance the purchase of real estate and capital improvements. The debt certificates provide for serial retirement of principal on January 15 and July 15 of each year beginning January 15, 2006. Interest is at a rate of 4.50% and is payable on January 15 and July 15 of each year. The balance due on the debt certificates as of March 31, 2015 is \$729,723.

Following below is a summary of the activity on the Township's long-term liabilities for the fiscal year:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Principal Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Long-Term Debt -					
2004 Real Estate Bonds	\$ 786,249	\$ -	\$ (56,526)	\$729,723	\$ 59,096
Total Long-Term Debt	<u>\$ 786,249</u>	<u>\$ -</u>	<u>\$ (56,526)</u>	<u>\$729,723</u>	<u>\$ 59,096</u>
Other Long-Term Liabilities -					
Compensated Absences	\$ 28,827	\$ -	\$ (2,150)	\$ 26,677	\$ -
Total Long-Term Liabilities	<u>\$ 815,076</u>	<u>\$ -</u>	<u>\$ (58,676)</u>	<u>\$756,400</u>	<u>\$ 59,096</u>

Principal and interest payments on long-term debt have been made through the Town Fund and the Building and Equipment Fund. Interest paid during the fiscal year amounted to \$35,196 and accrued interest was \$6,797.

At March 31, 2015 the annual debt service requirements to service the general obligation debt certificates to maturity are as follows:

<u>Year Ending March 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 59,096	\$ 32,625	\$ 91,721
2017	61,737	29,984	91,721
2018	64,672	27,049	91,721
2019	67,656	24,065	91,721
2020	70,778	20,943	91,721
2021-2025	405,784	52,053	457,837
Totals	<u>\$ 729,723</u>	<u>\$ 186,719</u>	<u>\$ 916,442</u>

**ALGONQUIN TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

**NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)**

Compensated absences typically have been liquidated in the Town Fund and Road and Bridge Fund. Employees in the Assessor and Supervisor's offices are eligible to accumulate earned but unused vacation pay benefits. Their vacation pay is accrued when earned. As of March 31, 2015, \$26,677 has been accrued for earned but unused vacation pay.

**NOTE 9 – LEGAL DEBT LIMIT**

As defined by the Illinois Municipal Code, "no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.625% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness". This limit for the Township, as of March 31, 2015, is \$182,942,777.

**NOTE 10 – RISK MANAGEMENT**

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township levies taxes for its liability insurance payments. The levy is not a Tort Immunity tax levy or a levy for self-insurance. The Township maintains commercial insurance coverage on the above risks of loss through membership in the Township Officials of Illinois Risk Management Association (TOIRMA).

TOIRMA provides risk management services and insures all of the Township's property, general liability, automobile, employee dishonesty, and excess liability claims up to specified limits. TOIRMA is a separate entity which sets rates and purchases commercial excess and stop-loss coverage. The Township pays annual premiums to TOIRMA for coverage. Supplementary payments may also be required by TOIRMA's Board of Directors should the premiums paid be insufficient to fund operations. No such supplemental payments have been required. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**NOTE 11 – EMPLOYEE PENSION PLAN**

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

**ALGONQUIN TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

**NOTE 11 – EMPLOYEE PENSION PLAN (CONTINUED)**

**Funding Policy** - As set by statute, Township plan members are required to contribute 4.50% of their annual covered salary. The statute requires the Township to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Township's contribution rate for calendar year 2014 was 10.22%. The Township also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Annual Pension Cost** - The required contribution for calendar year 2014 was \$151,694.

**Three-Year Trend Information for the Regular Plan**

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/14	\$151,694	100%	\$0
12/31/13	\$160,861	100%	\$0
12/31/12	\$158,355	100%	\$0

The required contribution for 2014 was determined as part of the December 31, 2012 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2012 included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the Township's plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Township plan's unfunded actuarial accrued liability at December 31, 2012 is being amortized as a level percentage of projected payroll on an open 29 year basis.

**Funded Status and Funding Progress** - As of December 31, 2014, the most recent actuarial valuation date, the Township's plan was 100.77% funded. The actuarial accrued liability for benefits was \$5,787,484 and the actuarial value of assets was \$5,831,764, resulting in an over-funded actuarial accrued liability (UAAL) of \$44,280. The covered payroll for calendar year 2014 (annual payroll of active employees covered by the plan) was \$1,484,287 and there is no ratio of the UAAL to the covered payroll.

The schedule of funding progress, presented as supplemental information following the major fund budgetary comparison schedules presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**ALGONQUIN TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2015**

**NOTE 12 – INTERFUND TRANSFERS**

The township does not have any routine interfund transfers. During the fiscal year ended March 31, 2015, Road and Bridge expenses totaling \$210,675 were paid with Equipment and Building Funds and are shown as interfund transfers on the fund financial statements.

**NOTE 13 – CONTINGENCIES AND COMMITMENTS**

On October 26, 2009, a suit was filed against the Township in the Circuit Court for the 22<sup>nd</sup> Judicial District, McHenry County, Illinois. The suit was brought by a local heating and air conditioning company and named the Township and the Road Commissioner as defendants. The Plaintiff alleged the Township failed to remit payment for additional services provided in connection with a bid to work on a “radiant heat system” as part of a Township construction project. The case was dismissed during the fiscal year.

A declaratory judgment lawsuit was filed naming the Algonquin Township assessor as a necessary party. The suit alleged property subject to assessment was exempt from assessment. The case was dismissed during the fiscal year.

The Township is not aware of any other pending litigation or potential non-disclosed liabilities that management believes would have a material effect upon the financial position of the Township.

**NOTE 14 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through September 3, 2015, the date the financial statements were available to be issued. No other significant subsequent events have been identified.

**REQUIRED SUPPLEMENTARY INFORMATION**

**ALGONQUIN TOWNSHIP**  
**BUDGETARY COMPARISON SCHEDULE - TOWN FUND**  
**FOR THE YEAR ENDED MARCH 31, 2015**

	<u>Budget</u>		<u>Actual</u>	<b>Variance With</b>
	<u>Original</u>	<u>Final</u>		<b>Final Budget</b>
				<b>(Negative)</b>
<b>Revenues:</b>				
Property Taxes	\$ 1,575,000	\$ 1,575,000	\$ 1,577,731	\$ 2,731
State Replacement Taxes	14,000	14,000	16,792	2,792
Interest Income	3,500	3,500	3,634	134
Building Use, Beverages, and Snacks	1,500	1,500	621	(879)
Rental Income	11,000	11,000	11,400	400
Sale of Capital Assets	5,000	5,000	-	(5,000)
Other Revenues	-	-	1	1
<b>Total Revenues</b>	<u>\$ 1,610,000</u>	<u>\$ 1,610,000</u>	<u>\$ 1,610,179</u>	<u>\$ 179</u>
<b>Expenditures:</b>				
<b>Administration -</b>				
Personnel -				
Salaries	\$ 400,000	\$ 400,000	\$ 351,979	\$ 48,021
Social Security and Medicare	33,500	33,500	26,162	7,338
Employee Health Insurance	55,000	55,000	46,731	8,269
Retirement Contribution	45,000	45,000	31,284	13,716
Unemployment Insurance	2,000	2,000	856	1,144
Contractual Services -				
Maintenance - Buildings and Property	65,000	65,000	59,514	5,486
Maintenance - Equipment	15,000	15,000	6,945	8,055
Accounting Services	12,500	12,500	2,358	10,142
Audit Services	10,000	10,000	1,700	8,300
Legal Services	25,000	25,000	7,345	17,655
Consulting Services	4,000	4,000	100	3,900
Postage	2,500	2,500	845	1,655
Telecommunications	7,000	7,000	5,228	1,772
Printing and Publishing	40,000	40,000	10,797	29,203
Dues and Subscriptions	5,000	5,000	3,108	1,892
Travel, Training, and Meetings	12,000	12,000	1,844	10,156
Utilities	10,000	10,000	3,458	6,542
Liability Insurance	40,000	40,000	24,781	15,219
Cleaning Services	8,000	8,000	7,042	958
Lease	3,000	3,000	2,516	484
Engineering and Planning	10,000	10,000	5,779	4,221

See Independent Auditor's Report

**ALGONQUIN TOWNSHIP**  
**BUDGETARY COMPARISON SCHEDULE**  
**TOWN FUND (CONTINUED)**  
**FOR THE YEAR ENDED MARCH 31, 2015**

	<u>Budget</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Expenditures (Continued):</b>				
Contractual Services (continued) -				
Technical Support	\$ 7,000	\$ 7,000	\$ 2,505	\$ 4,495
Computer Maintenance	7,000	7,000	3,092	3,908
Planning Commission Expense	100	100	-	100
Transportation Committee Expense	100	100	-	100
CMAQ and Other Grant Expense	100	100	-	100
Commodities -				
Office Supplies	3,000	3,000	1,294	1,706
Computer Supplies	2,000	2,000	342	1,658
Computer Software	2,000	2,000	-	2,000
Publications	500	500	-	500
Maintenance Supplies	8,000	8,000	4,666	3,334
Building Supplies	5,000	5,000	209	4,791
Other Expenses -				
Miscellaneous Expense	10,000	10,000	1,049	8,951
Cemetery Expense	300	5,300	5,300	-
Inter-Governmental Agreements	2,500	2,500	1,962	538
Community Services / Support	5,000	5,000	1,603	3,397
Environmental Services	30,000	30,000	23,317	6,683
Service Charges	7,000	7,000	7,185	(185)
Senior Transportation Services	25,000	25,000	24,943	57
Senior Activities	15,000	15,000	5,631	9,369
Employee Services	3,000	3,000	774	2,226
Enforcement Expense	5,000	5,000	-	5,000
Unforeseen Hardship	10,000	10,000	-	10,000
Debt Service -				
Principal	28,000	28,500	28,263	237
Interest	21,000	20,500	17,598	2,902
Capital Outlay -				
Building	130,000	130,000	143,401	(13,401)
Equipment	45,000	45,000	7,094	37,906
Computer Equipment	10,000	10,000	3,958	6,042
Expansion and Development	20,000	20,000	-	20,000
Senior Bus	100	100	-	100
Contingency Expense	20,000	15,000	-	15,000
<b>Total Administration</b>	<u>\$ 1,211,900</u>	<u>\$ 1,211,900</u>	<u>\$ 884,558</u>	<u>\$ 332,939</u>

See Independent Auditor's Report



**ALGONQUIN TOWNSHIP**  
**BUDGETARY COMPARISON SCHEDULE**  
**TOWN FUND (CONTINUED)**  
**FOR THE YEAR ENDED MARCH 31, 2015**

	<u>Budget</u>		<u>Actual</u>	<b>Variance With Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures (Continued):</b>				
<b>Assessor -</b>				
Personnel -				
Salaries	\$ 400,000	\$ 400,000	\$ 382,101	\$ 17,899
Social Security and Medicare	36,000	36,000	29,927	6,073
Employee Health Insurance	150,000	150,000	157,426	(7,426)
Retirement Contribution	48,000	48,000	37,437	10,563
Unemployment Insurance	50	50	-	50
Contractual Services -				
Maintenance - Equipment	4,000	4,000	881	3,119
Legal Services	20,000	20,000	17,662	2,338
Postage	2,000	2,000	533	1,467
Telecommunications	10,000	10,000	8,745	1,255
Printing and Publishing	500	500	-	500
Dues and Subscriptions	4,000	4,000	2,122	1,878
Travel, Training, and Meetings	12,000	17,000	17,741	(741)
Independent Appraisals	30,000	30,000	21,658	8,342
Equipment Rentals	100	100	-	100
Technical Support	70,000	65,000	31,392	33,608
Commodities -				
Office Supplies	3,000	3,000	761	2,239
Computer Supplies	3,000	3,000	539	2,461
Computer Software	30,000	30,000	7,362	22,638
Miscellaneous Expense	1,000	1,000	50	950
Capital Outlay -				
Office Equipment	8,000	8,000	24	7,976
Computer Equipment	26,000	26,000	12,988	13,012
<b>Total Assessor</b>	<u>\$ 857,650</u>	<u>\$ 857,650</u>	<u>\$ 729,349</u>	<u>\$ 128,301</u>

See Independent Auditor's Report

**ALGONQUIN TOWNSHIP**  
**BUDGETARY COMPARISON SCHEDULE**  
**TOWN FUND (CONTINUED)**  
**FOR THE YEAR ENDED MARCH 31, 2015**

	<u>Budget</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures (Continued):</b>				
<b>Clerk -</b>				
Contractual Services -				
Legal Services	\$ 2,500	\$ 2,500	\$ -	\$ 2,500
Postage	100	100	-	100
Printing and Publishing	1,000	1,000	460	540
Dues and Subscriptions	100	100	30	70
Travel, Training, and Meetings	2,500	2,500	100	2,400
Election Expense	5,000	5,000	1,548	3,452
Commodities -				
Office Supplies	150	150	97	53
Miscellaneous Expense	200	200	-	200
<b>Total Clerk</b>	<u>\$ 11,550</u>	<u>\$ 11,550</u>	<u>\$ 2,235</u>	<u>\$ 9,315</u>
<b>Rental Property -</b>				
Contractual Services -				
Maintenance - Buildings and Property	\$ 10,000	\$ 10,000	\$ -	\$ 10,000
Maintenance - Equipment	10,000	10,000	-	10,000
Utilities	1,500	1,500	-	1,500
Capital Outlay -				
Building	10,000	10,000	-	10,000
Equipment	5,000	5,000	-	5,000
<b>Total Rental Property</b>	<u>\$ 36,500</u>	<u>\$ 36,500</u>	<u>\$ -</u>	<u>\$ 36,500</u>
<b>Total Expenditures</b>	<u>\$ 2,117,600</u>	<u>\$ 2,117,600</u>	<u>\$ 1,616,142</u>	<u>\$ 507,055</u>
<b>Excess Revenues or (Expenditures)</b>	<u>\$ (507,600)</u>	<u>\$ (507,600)</u>	<u>\$ (5,963)</u>	<u>\$ 507,234</u>
<b>Fund Balance - April 1, 2014</b>			<u>1,537,764</u>	
<b>Fund Balance - March 31, 2015</b>			<u>\$ 1,531,801</u>	

See Independent Auditor's Report

**ALGONQUIN TOWNSHIP**  
**BUDGETARY COMPARISON SCHEDULE**  
**ROAD AND BRIDGE FUND**  
**FOR THE YEAR ENDED MARCH 31, 2015**

	<u>Budget</u>		<u>Actual</u>	<b>Variance With</b>
	<u>Original</u>	<u>Final</u>		<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues:</b>				
Property Taxes	\$2,538,000	\$2,538,000	\$1,675,834	\$ (862,166)
State Replacement Taxes	65,000	65,000	78,904	13,904
Bus Revenue	30,000	30,000	30,527	527
Recycling Revenue	12,000	12,000	6,034	(5,966)
Court Fines	5,000	5,000	5,709	709
Revoked Bonds	-	-	9,000	9,000
Grants Received	25,000	25,000	-	(25,000)
Sale of Capital Assets	-	-	56,000	56,000
Interest Income	3,000	3,000	3,409	409
Other Revenues	20,000	20,000	36,590	16,590
<b>Total Revenues</b>	<u>\$2,698,000</u>	<u>\$2,698,000</u>	<u>\$1,902,007</u>	<u>\$ (795,993)</u>
<b>Expenditures:</b>				
<b>General Administration -</b>				
Personnel -				
Salaries - Administration	\$ 80,000	\$ 80,000	\$ 76,817	\$ 3,183
Social Security and Medicare	70,100	70,100	56,749	13,351
Employee Health Insurance	165,000	165,000	164,404	596
Retirement Contribution	100,100	100,100	69,730	30,370
Unemployment Insurance	2,500	2,500	936	1,564
Contractual Services -				
Maintenance - Building	2,500	2,500	-	2,500
Maintenance - Equipment	4,500	4,500	-	4,500
Accounting Services	1,000	1,000	-	1,000
Audit Services	10,000	10,000	3,395	6,605
Legal Services	30,000	30,000	9,144	20,856
Postage	1,500	1,500	885	615
Telecommunications	30,000	30,000	20,772	9,228
Printing and Publishing	5,000	5,000	1,290	3,710
Dues and Subscriptions	5,000	5,000	4,208	792
Travel and Meetings	8,500	8,500	3,128	5,372
Education and Training	9,500	9,500	785	8,715
Liability Insurance	90,100	90,100	48,104	41,996
Technical Support Services	15,000	15,000	11,939	3,061

See Independent Auditor's Report

**ALGONQUIN TOWNSHIP**  
**BUDGETARY COMPARISON SCHEDULE**  
**ROAD AND BRIDGE FUND (CONTINUED)**  
**FOR THE YEAR ENDED MARCH 31, 2015**

	<u>Budget</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Expenditures (Continued):</b>				
Commodities -				
Office Supplies	\$ 5,000	\$ 5,000	\$ 2,568	\$ 2,432
Computer Supplies	5,000	5,000	2,711	2,289
Other Expenses -				
Construction Bonds	100	100	-	100
Miscellaneous	8,500	8,500	5,410	3,090
Inter-Governmental Agreements	45,000	45,000	36,704	8,296
Property Loan	100	100	-	100
Service Charges	2,000	2,000	2,129	(129)
Capital Outlay -				
Equipment	7,500	7,500	5,113	2,387
<b>Total General Administration</b>	<u>\$ 703,500</u>	<u>\$ 703,500</u>	<u>\$ 526,921</u>	<u>\$ 176,579</u>
<b>Maintenance -</b>				
Personnel -				
Salaries - Maintenance	\$ 750,000	\$ 750,000	\$ 666,065	\$ 83,935
Contractual Services -				
Maintenance - Buildings	35,000	35,000	18,431	16,569
Maintenance - Equipment	50,000	50,000	50,530	(530)
Maintenance - Roads	500,000	500,000	589,170	(89,170)
Maintenance - Bridges	100	100	-	100
Maintenance - Snow Removal	100	100	-	100
Utilities	55,000	55,000	51,199	3,801
Equipment Rentals	15,000	15,000	5,850	9,150
Engineering Services	30,000	30,000	37,179	(7,179)
Special Road Projects -				
Non-Dedicated Roads	30,000	30,000	6,674	23,326
Prior Year Contracts	100	100	-	100
Commodities -				
Fuel and Lubricants	120,000	120,000	91,293	28,707
Supplies - Buildings	25,000	25,000	20,095	4,905
Supplies - Equipment	100,000	100,000	67,134	32,866
Supplies - Roads	110,000	110,000	25,478	84,522
Supplies - Bridges	100	100	-	100
Supplies - Snow Removal	100	100	22	78
Clothing and Protective Equipment	12,000	12,000	4,079	7,921

See Independent Auditor's Report

**ALGONQUIN TOWNSHIP**  
**BUDGETARY COMPARISON SCHEDULE**  
**ROAD AND BRIDGE FUND (CONTINUED)**  
**FOR THE YEAR ENDED MARCH 31, 2015**

	<u>Budget</u>		<u>Actual</u>	<b>Variance With Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures (Continued):</b>				
Other Expenses -				
Miscellaneous	\$ 7,500	\$ 7,500	\$ 4,471	\$ 3,029
Grants	25,000	25,000	2,944	22,056
Environmental Services	40,000	40,000	38,922	1,078
Senior Transportation Services	15,000	15,000	848	14,152
Capital Outlay -				
Land Acquisition	100	100	-	100
Buildings	5,000	5,000	-	5,000
Equipment	5,000	5,000	-	5,000
Other Improvements	5,000	5,000	-	5,000
<b>Total Maintenance</b>	<u>\$ 1,935,100</u>	<u>\$ 1,935,100</u>	<u>\$ 1,680,384</u>	<u>\$ 254,716</u>
<b>Contingencies</b>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ 20,000</u>
<b>Total Expenditures</b>	<u>\$ 2,658,600</u>	<u>\$ 2,658,600</u>	<u>\$ 2,207,305</u>	<u>\$ 451,295</u>
<b>Excess Revenues or (Expenditures)</b>	<u>\$ 39,400</u>	<u>\$ 39,400</u>	\$ (305,298)	<u>\$ (344,698)</u>
<b>Transfers from (to) Other Funds</b>			210,675	
<b>Fund Balance - April 1, 2014</b>			<u>1,071,014</u>	
<b>Fund Balance - March 31, 2015</b>			<u>\$ 976,391</u>	

See Independent Auditor's Report

**ALGONQUIN TOWNSHIP**  
**BUDGETARY COMPARISON SCHEDULE**  
**EQUIPMENT AND BUILDING FUND**  
**FOR THE YEAR ENDED MARCH 31, 2015**

	<u>Budget</u>		<u>Actual</u>	<b>Variance With Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property Taxes	\$ 1,211,000	\$ 1,211,000	\$ 1,228,539	\$ 17,539
State Replacement Taxes	10,000	10,000	12,406	2,406
Interest Income	<u>2,500</u>	<u>2,500</u>	<u>3,745</u>	<u>1,245</u>
<b>Total Revenues</b>	<u>\$ 1,223,500</u>	<u>\$ 1,223,500</u>	<u>\$ 1,244,690</u>	<u>\$ 21,190</u>
<b>Expenditures:</b>				
Capital Outlay -				
Building and Upgrading	\$ 800,000	\$ 800,000	\$ 198,929	\$ 601,071
Equipment, Vehicles, and Machinery	850,000	850,000	665,348	184,652
Service Charges	1,500	1,500	1,755	(255)
Debt Service -				
Principal	180,000	180,000	28,262	151,738
Interest	35,000	35,000	17,598	17,402
Rent	<u>20,000</u>	<u>20,000</u>	<u>10,800</u>	<u>9,200</u>
<b>Total Expenditures</b>	<u>\$ 1,886,500</u>	<u>\$ 1,886,500</u>	<u>\$ 922,692</u>	<u>\$ 963,808</u>
<b>Excess Revenues or (Expenditures)</b>	<u>\$ (663,000)</u>	<u>\$ (663,000)</u>	\$ 321,998	<u>\$ 984,998</u>
<b>Transfers from (to) Other Funds</b>			(210,675)	
<b>Fund Balance - April 1, 2014</b>			<u>1,157,314</u>	
<b>Fund Balance - March 31, 2015</b>			<u>\$ 1,268,637</u>	

See Independent Auditor's Report

**ALGONQUIN TOWNSHIP**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**MARCH 31, 2015**

**NOTE 15 – PENSION PLAN FUNDING PROGRESS**

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ( (b-a) /c)
12/31/14	\$ 5,831,764	\$ 5,787,484	\$ (44,280)	100.77	\$ 1,484,287	0.00%
12/31/13	\$ 5,548,879	\$ 5,578,785	\$ 29,906	99.46	\$ 1,442,697	2.07%
12/31/12	\$ 5,078,105	\$ 5,471,119	\$393,014	92.82	\$ 1,413,885	27.80%

On a market value basis, the actuarial value of assets as of December 31, 2014 is \$6,598,565. On a market basis, the funded ratio would be 114.01%.

The actuarial value of assets and accrued liability cover active and inactive member who have service credit with Algonquin Township. They do not include amount for retirees. The actuarial accrued liability for retirees is 100% funded.

**NOTE 16 – BUDGETARY ACCOUNTING AND BUDGET PROCESS**

As set forth in the Illinois Statutes, the Board of Trustees adopts an annual budget ordinance of estimated revenues and appropriations for the Township’s governmental funds. Two separate budgets are prepared for the Town Funds (Town Fund and General Assistance Fund) and Road District Funds (Road and Bridge Fund and Equipment and Building Fund) which serve as a management control device. The budgets are adopted using the modified accrual basis method of accounting. As part of the required supplementary information contained in this report, the actual revenues and expenditures are compared to the original and final budgets for each of the Township’s governmental funds for the period to demonstrate compliance with the adopted budgets. If budgeted expenditures exceed expected revenues, the Township planned to fund any excess expenditures with previously accumulated funds.

The annual budget process is as follows:

1. The Board of Trustees adopts a budget ordinance, which serves as an operating budget.
2. Budget hearings are conducted.
3. The budget is legally enacted through passage of an ordinance.
4. The budget may be amended for line item transfers during the fiscal year by resolution of the Board of Trustees.

None of the expenditures in any of the Township funds exceeded their corresponding appropriations.

**OTHER INFORMATION**



**ALGONQUIN TOWNSHIP**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL ASSISTANCE FUND**  
**FOR THE YEAR ENDED MARCH 31, 2015**

	<u>Budget</u>		<u>Actual</u>	<b>Variance With</b>
	<u>Original</u>	<u>Final</u>		<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues:</b>				
Property Taxes	\$ 240,000	\$ 240,000	\$ 239,894	\$ (106)
State Replacement Taxes	2,000	2,000	1,962	(38)
Interest Income	150	150	666	516
Other Revenues	-	-	1,004	1,004
<b>Total Revenues</b>	<u>\$ 242,150</u>	<u>\$ 242,150</u>	<u>\$ 243,526</u>	<u>\$ 1,376</u>
<b>Expenditures:</b>				
<b>Administration -</b>				
Personnel -				
Salaries	\$ 30,000	\$ 30,000	\$ 30,000	\$ -
Social Security and Medicare	2,300	2,300	2,300	-
Employee Health Insurance	3,000	3,000	3,000	-
Retirement Contribution	3,300	3,300	3,300	-
Unemployment Insurance	50	50	50	-
Contractual Services -				
Maintenance - Equipment	1,000	1,000	-	1,000
Legal Services	1,000	1,000	-	1,000
Postage	1,000	1,000	756	244
Telecommunications	1,000	1,000	1,000	-
Printing and Publishing	500	500	329	171
Travel, Training, and Meetings	1,000	1,000	130	870
Utilities	7,500	7,500	7,437	63
Cleaning Services	3,500	3,500	3,500	-
Computer Technical Support	500	500	-	500
Commodities -				
Office Supplies	500	500	28	472
Computer Supplies	500	500	500	-
Computer Software	1,000	1,000	750	250
Other Expense -				
Miscellaneous	500	500	25	475
Service Charges	1,400	1,400	1,356	44
Capital Outlay -				
Office Equipment	5,000	5,000	-	5,000
Computer Equipment	1,000	1,000	-	1,000
<b>Total Administration</b>	<u>\$ 65,550</u>	<u>\$ 65,550</u>	<u>\$ 54,461</u>	<u>\$ 11,089</u>

See Independent Auditor's Report

**ALGONQUIN TOWNSHIP**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL ASSISTANCE FUND (CONTINUED)**  
**FOR THE YEAR ENDED MARCH 31, 2015**

	<u>Budget</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures (Continued):</b>				
<b>Home Relief -</b>				
Contractual Services -				
Transportation Expenses	\$ 2,500	\$ 7,500	\$ 7,052	\$ 448
Utilities	25,000	25,000	23,174	1,826
General Insurance	3,500	3,500	3,175	325
Physician Services	3,000	3,000	-	3,000
Hospital Services	5,000	5,000	-	5,000
Drugs	3,000	3,000	-	3,000
Dental	500	500	-	500
Other Medical Care	2,000	2,000	210	1,790
Funeral and Burial	1,500	1,500	-	1,500
Shelter / Rent	65,000	60,000	28,322	31,678
Counseling	1,000	1,000	-	1,000
Emergency Assistance - Shelter	52,000	52,000	37,476	14,524
Emergency Assistance - Utilities	60,000	60,000	28,717	31,283
Emergency Assistance - All Other	2,500	2,500	575	1,925
Commodities -				
Food and Incidentals	2,000	2,000	541	1,459
Job Training and Related Expense	1,000	1,000	181	819
Other Expenses -				
Miscellaneous	1,000	1,000	-	1,000
Unforeseen Hardship	3,000	3,000	530	2,470
<b>Total Home Relief</b>	<u>\$ 233,500</u>	<u>\$ 233,500</u>	<u>\$ 129,953</u>	<u>\$ 103,547</u>
<b>Contingencies</b>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ 10,000</u>
<b>Total Expenditures</b>	<u>\$ 309,050</u>	<u>\$ 309,050</u>	<u>\$ 184,414</u>	<u>\$ 124,636</u>
<b>Excess Revenues or (Expenditures)</b>	<u>\$ (66,900)</u>	<u>\$ (66,900)</u>	<u>\$ 59,112</u>	<u>\$ 126,012</u>
<b>Fund Balance - April 1, 2013</b>			<u>248,531</u>	
<b>Fund Balance - March 31, 2014</b>			<u>\$ 307,643</u>	

See Independent Auditor's Report