

ANNUAL FINANCIAL REPORT WITH SUPPLEMENTARY INFORMATION

YEAR ENDED APRIL 30, 2015

CONTENTS

Year Ended April 30, 2015

	<u>Pages</u>
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-7
Basic Financial Statements:	
Government-wide – Statement of Net Position	8
Government-wide – Statement of Activities and Changes in Net Position	9
Governmental Fund Types –Combining Balance Sheet	10
Governmental Fund Type – Combining Statement of Revenue, Expenditures and Changes in Fund Balance	11
Reconciliation of the Governmental Fund Balance to the Statement of Net Position and the Statement of Activities	12
Balance Sheet – Proprietary Waterworks Fund	13
Proprietary Fund Type – Waterworks Fund Statement of Revenue, Expenditures and Changes in Net Assets	14
Proprietary Fund Type – Statement of Cashflows	15
Fiduciary Fund Types – Police Pension Fund Statement of Net Position	16
Fiduciary Fund Types – Police Pension Fund Statement of Revenue, Expenditures and Changes in Net Position	17
Notes to Financial Statements	18-52
Required Supplementary Information:	
Notes to Required Supplementary Information	53
Police Pension – Fund Schedule of Funding Progress and Employer Contributions	54
Sheriffs Law Enforcement Personnel Plan (SLEP) – Schedule of Funding Progress and Employer Contributions	55

CONTENTS (concluded) Year Ended April 30, 2015

	<u>Pages</u>
Illinois Municipal Retirement Trend Information (IMRF) - Schedule of Funding Progress and Employer Contributions	56
General Fund – Statement of Expenditures and Comparison with Appropriations	57-62
Supplementary Information:	
Property Tax Extensions and Rates	63-64
Garbage Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance - Appropriations and Actual	65
Recreation Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance - Appropriations and Actual	66-67
Motor Fuel Tax Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance - Appropriations and Actual	68
Debt Service Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance - Appropriations and Actual	69
Waterworks Enterprise Fund - Schedule of Operating and Changes in Fund Balance - Appropriations and Actual	70-71



GEORGE ROACH ASSOCIATES, PC

44 N. Walkup Avenue Crystal Lake, IL 60014 T: 815-459-0700

INDEPENDENT AUDITOR'S REPORT

To the Village President and the Members of the Board of Trustees of the Village of Island Lake, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Village of Island Lake, Illinois as of and for the year ended April 30, 2015, 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 did not audit the financial statements of the Village of Island Lake Police Pension Plan. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Village of Island Lake Police Pension Plan is based solely on the report of the other auditors. 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.

Auditor Procedures - general

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 financial statement 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 Island Lake, Illinois as of April 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information 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 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 purposes of forming opinions on the financial statements that collectively comprise the Village of Island Lake, Illinois' financial statements as a whole. The individual fund financial statements and schedules and other information listed as schedules and other supplementary information in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The individual fund financial statements and schedules and other information listed as schedules and other supplementary information in the accompanying table of contents 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 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.

The introductory and statistical sections have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

George Roach & Associates, P.C.

George Roach & Associates, P.C.

Crystal Lake, Illinois December 1, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended April 30, 2015

As management of the Village of Island Lake (Village), we offer readers of the Village's statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2015.

FINANCIAL HIGHLIGHTS

- The assets of the Village exceeded its liabilities and deferred inflows at April 30, 2015 by \$41,659,983 (*Net Position*). Of this amount, \$1,691,593 (*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 \$135,972.
- At April 30, 2015, the Village's governmental funds reported combined ending fund balances of \$897,891, an increase of \$30,045 from the prior year.
- The Village's total capital assets decreased by \$121,983 during the year ended April 30, 2015.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the Village's assets and liabilities, with the difference between the two 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 Village is improving or deteriorating.

The Statement of Activities presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, public safety, public works and transportation, culture and recreation, and economic development. The business-type activities of the Village include culture and recreation, water and sewer, and refuse. The government-wide financial statements can be found on pages 8 and 9 of this report.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended April 30, 2015

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Village's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains various individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, which is considered to be the Village's main major fund. Data from the other governmental funds are shown on the combining statement.

The basic governmental fund financial statements can be found on pages 8 through 17 of this report.

Proprietary funds - The Village maintains one type of proprietary fund (enterprise fund). Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its water services.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water services, all of which are considered to be major funds of the Village.

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Village utilizes a fiduciary fund to segregate police pension funds. The basic fiduciary fund financial statements can be found on pages 16 and 17 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18 through 52 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's progress in meeting its obligation to provide as fully adequate as possible services to its residents.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended April 30, 2015

The Village adopts an annual budget for all funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the budget. The budgetary comparison for the general fund can be found on pages 57 to 62 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets exceeded liabilities and deferred inflows by \$41,659,983 at April 30, 2015.

Of the Village's net position, \$39,021,961 reflects its investment in capital assets (e.g., land, construction in progress, buildings, systems and equipment); less any related outstanding debt used to acquire those assets. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. 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.

Village of Island Lake -- Net Position

	Government	al Activities	Business-Ty	pe Activities	Total			
	04/30/2015	04/30/2014	04/30/2015	04/30/2014	04/30/2015	04/30/2014		
Current and Other Assets	\$ 2,905,614	\$ 2,840,287	\$ 2,632,641	\$ 2,931,660	\$ 5,538,255	\$ 5,771,947		
Capital Assets	32,131,493	32,434,286	8,428,233	8,247,423	40,559,726	40,681,709		
Total Assets	\$ 35,037,107	\$ 35,274,573	\$ 11,060,874	\$ 11,179,083	\$ 46,097,981	\$ 46,453,656		
Other Liabilities	\$ 488,164	\$ 587,328	\$ 33,477	\$ 53,577	\$ 521,641	\$ 640,905		
Long-Term Liabilities Outstanding	1,822,050	1,969,383	574,748	662,300	2,396,798	2,631,683		
Total Liabilities	2,310,214	2,556,711	608,225	715,877	2,918,439	3,272,588		
Deferred Inflows property taxes	1,519,559	1,385,113			1,519,559	1,385,113		
Net Position:								
Net Investment in Capital Assets	31,148,728	31,271,004	7,873,233	7,603,809	39,021,961	38,874,813		
Restricted net position	946,429	818,763	· /	385,176	946,429	1,203,939		
Unrestricted net position	(887,823)	(757,018)	2,579,416	2,474,221	1,691,593	1,717,203		
Total Net Position	\$ 31,207,334	\$ 31,332,749	\$ 10,452,649	\$ 10,463,206	\$ 41,659,983	\$ 41,795,955		

An additional portion of the Village's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$1,691,593) may be used to meet the Village's ongoing obligations to citizens and creditors.

At April 30, 2015, the Village is able to report positive balances in two categories of net position, both for the Village as a whole, as well as for its separate governmental and business-type activities. The Village's net position decreased by \$135,972 during the year ended April 30, 2015.

Governmental activities

Governmental activities decreased the Village's net position by \$125,415. The most significant revenue change from the prior year was the increase in intergovernmental revenue.

Business-type activities

Business-type activities decreased the Village's net position by \$10,557.

Key elements of the increases to net position by governmental and business type activities are on the following page.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended April 30, 2015

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Village of Island Lake -- Statement of Activities and Changes in Net Position

	Government	al Activities	Business-Typ	pe Activities	Total			
	4/30/2015	4/30/2014	4/30/2015	4/30/2014	4/30/2015	4/30/2014		
Program Revenues								
Charges for Services	\$ 1,271,398	\$ 1,470,263	\$ 932,987	\$ 1,055,439	\$ 2,204,385	\$ 2,525,702		
Capital Grants and Contributions	-	-	-	-	-	-		
Operating Grants and Contributions	1,100	43,070	-	-	1,100	43,070		
General Revenues								
Property Taxes	1,393,468	1,381,918	-	-	1,393,468	1,381,918		
Other Taxes	264,933	196,569	-	-	264,933	196,569		
Utility Taxes	597,916	617,876	-	-	597,916	617,876		
Sales Taxes	914,961	831,171	-	-	914,961	831,171		
Income Taxes	791,311	861,602	-	-	791,311	861,602		
Other	226,022	103,546	-	65,960	226,022	169,506		
Interest	9,250	6,806	10,486	10,620	19,736	17,426		
Total Revenues	5,470,359	5,512,821	943,473	1,132,019	6,413,832	6,644,840		
Expenses								
General Government	1,068,146	1,500,200	-	-	1,068,146	1,500,200		
Public Safety	2,145,494	1,929,910	-	-	2,145,494	1,929,910		
Streets and Roads	1,394,005	1,611,809	-	-	1,394,005	1,611,809		
Culture & Recreation	207,045	145,107	-	-	207,045	145,107		
Sanitation	634,896	642,767	-	-	634,896	642,767		
Interest on Long-Term Debt	31,188	75,074	13,057	28,039	44,245	103,113		
Proprietary Activities			1,166,033	1,124,406	1,166,033	1,124,406		
Total Expenses	5,480,774	5,904,867	1,179,090	1,152,445	6,659,864	7,057,312		
Increase/(Decrease) before Transfers	(10,415)	(392,046)	(235,617)	(20,426)	(246,032)	(412,472)		
Transfers in/(out)	(115,000)		115,000					
Increase/(Decrease) in Net Position	(125,415)	(392,046)	(120,617)	(20,426)	(246,032)	(412,472)		
Net Position - Beginning of Year Capitalized connection fees	31,332,749	31,724,795	10,463,206 110,060	10,483,632	41,795,955 110,060	42,208,427		
Net Position - End of Year	\$ 31,207,334	\$ 31,332,749	\$ 10,452,649	\$ 10,463,206	\$ 41,659,983	\$ 41,795,955		

Governmental funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Village's net resources available for spending at the end of the fiscal year.

At April 30, 2015, the Village's governmental funds reported combined ending fund balances of \$897,891, an increase of \$30,045 in comparison with the prior year. The fund balance is assigned or restricted to indicate that it is not available for new spending because it has already been allocated for specific restricted purposes.

The General Fund is the chief operating fund of the Village. At April 30, 2015, the fund balance of the General Fund was \$144,449. This represents an increase of \$152,251 compared to the prior fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended April 30, 2015

General Fund Budgetary Highlights

Differences between the original budget and the final budget were relatively minor. There were no changes in the total amount of the budget. The difference between the estimated expenditures and the actual expenditures was \$1,600,039 (favorable).

CAPITAL ASSETS

The Village's capital assets for its governmental and business-type activities as of April 30, 2015 amounts to \$40,559,726 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements, infrastructure, systems, and equipment.

Village of Island Lake Capital Assets

	Government	al Activities	Business Type Activities		To	tal
	2015	2014	2015	2014	2015	2014
Land	\$ 8,090,536	\$ 8,090,536			\$ 8,090,536	\$ 8,090,536
Land improvements	215,000	215,000	-	-	215,000	215,000
Buildings	722,285	670,800	=	=	722,285	670,800
Equipment, furniture, and fixtures	392,363	383,724	515,909	515,909	908,272	899,633
Vehicles	994,417	871,148	146,616	146,616	1,141,033	1,017,764
Infrastructure	38,929,912	38,547,747	-	-	38,929,912	38,547,747
Construction in progress	-	-	421,009	-	421,009	-
Water System			11,156,633	11,156,633	11,156,633	11,156,633
Total Capital Assets	49,344,513	48,778,955	12,240,167	11,819,158	61,584,680	60,598,113
Accumulated depreciation	17,213,020	16,344,669	3,811,934	3,571,735	21,024,954	19,916,404
Total Net Capital Assets	\$ 32,131,493	\$ 32,434,286	\$ 8,428,233	\$ 8,247,423	\$ 40,559,726	\$ 40,681,709

Additional information on the Village's capital assets can be found in note 3 on pages 32-33.

ECONOMIC FACTORS AND PROPERTY TAXES

The equalized assessed valuation (EAV) of the Village for 2014 is \$136,731,314. This represents a decrease in EAV of \$7,109,944 over the prior year's EAV. Taxes recorded in these financial statements are from the 2013 levy. A summary of the assessed valuations and extensions for tax years 2014, 2013, and 2012 is found on pages 56 and 57 of this report.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Village of Island Lake, 3720 Greenleaf Avenue, Island Lake, IL 60042.

Government-wide Statement of Net Position Year Ended April 30, 2015

		Primary G	over	nment		
	G	overnmental	Bu	siness-Type		
		Activities		Activities		Total
Assets						
Cash and investments, at cost	\$	810,397	\$	2,479,158	\$	3,289,555
Receivables - net of allowances	•	-	•	111,506	•	111,506
Property tax receivable		1,519,559		, -		1,519,559
Prepaids		12,254		-		12,254
Internal balances		(41,977)		41,977		-
Due from other governments		605,381		-		605,381
Total Current Assets		2,905,614		2,632,641		5,538,255
Fixed assets, net of depreciation		32,131,493		8,428,233		40,559,726
Net Total Assets	\$	35,037,107	\$	11,060,874	\$	46,097,981
					·	
Liabilities						
Accounts payable	\$	14,152	\$	-	\$	14,152
Accrued payroll		95,189		12,512		107,701
Due to Police Pension Fund		262,471		-		262,471
Deposits payable		116,352		20,965		137,317
Notes payable current portion		73,342		-		73,342
Bonds payable current portion		240,000		90,000		330,000
Notes payable noncurrent		109,423		-		109,423
Bonds payable noncurrent		560,000		465,000		1,025,000
Net pension obligations noncurrent		672,577		-		672,577
Net other post-employment benefit obligations		18,429		-		18,429
Compensated absences noncurrent		148,279		19,748		168,027
Total Liabilities		2,310,214		608,225		2,918,439
Deferred Inflows - property taxes		1,519,559		<u>-</u>		1,519,559
Net Position						
Net investment in capital assets		31,148,728		7,873,233		39,021,961
Restricted		946,429		- , ,		946,429
Unrestricted		(887,823)		2,579,416		1,691,593
Total Net Position	\$	31,207,334	\$	10,452,649	\$	41,659,983

VILLAGE OF ISLAND LAKE, ILLINOIS
Government-wide Statement of Activities and Changes in Net Position
Year Ended April 30, 2015

]	Program Revenue				_
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
Governmental Activities							
General government Public safety	\$ 1,703,042 2,145,494	\$ 936,648 132,316	\$ -	\$ -	\$ (766,394) (2,013,178)	\$ -	\$ (766,394) (2,013,178)
Culture and recreation	2,143,494 207,045	202,434	1,100	-	(2,013,178) $(3,511)$	-	(2,013,178) $(3,511)$
Highways and streets	1,394,005	202, 10 1	-	-	(1,394,005)	_	(1,394,005)
Interest on long-term debt	31,188		_		(31,188)		(31,188)
Total Governmental Activities	5,480,774	1,271,398	1,100		(4,208,276)		(4,208,276)
Business-Type Activities							
Waterworks	1,166,033	932,669	-	-	-	(233,364)	(233,364)
Interest on long-term debt	13,057					(13,057)	(13,057)
Total Business-Type Activities	1,179,090	932,669				(246,421)	(246,421)
Total Primary Government	\$ 6,659,864	\$ 2,204,067	\$ 1,100	\$ -	(4,208,276)	(246,421)	(4,454,697)
	,	General Revenue Taxes					
		Property Ta			1,393,468	-	1,393,468
		Utility Tax Other Taxe			597,916 264,933	-	597,916 264,933
			ital -Unrestricted		204,933	-	204,933
		Sales Taxes			914,961	-	914,961
		Income Tax			791,311	-	791,311
		Interest Income			9,250	10,804	20,054
		Miscellaneous I	ncome		226,022		226,022
		Total Re	evenues		4,197,861	10,804	4,208,665
		Transfers in/(o	out)		(115,000)	115,000	-
		Connection fee	es capitalized			110,060	110,060
		Total Revenues	s and other source	es/(uses)	4,082,861	235,864	4,318,725
	1	Changes in Net Po	osition		(125,415)	(10,557)	(135,972)
	-	Net Position Begi	nning of Year		31,332,749	10,463,206	41,795,955
		Total Net Positior	ı, End of Year		\$ 31,207,334	\$ 10,452,649	\$ 41,659,983

The accompanying notes are an integral part of these financial statements.

Governmental Fund Types - Combining Balance Sheet April 30, 2015

Assets	General Fund	Garbage Fund	Recreation Fund	Motor Fuel Tax	Debt Service Fund	Total
Cash and investments	\$ 61,596	\$ 193,206	\$ 109,084	\$ 446,453	\$ 58	\$ 810,397
Total cash and investments	61,596	193,206	109,084	446,453	58	810,397
Property taxes receivable, current levy Other receivables Engineering escrow Due from other funds Total Assets	1,339,845 378,885 12,254 172,720 \$ 1,965,300	226,496 - - \$ 419,702	\$ 109,084	\$ 446,453	179,714 - - - - \$ 179,772	1,519,559 605,381 12,254 172,720 \$ 3,120,311
Liabilities						
Accounts payable and accruals	\$ 14,152	\$ -	\$ -	\$ -	\$ -	\$ 14,152
Accrued payroll Due to police pension fund	88,031 262,471	2,619	4,539	-	-	95,189 262,471
Due to other funds	202,471	41,977	-	172,720	-	214,697
Developer deposits	116,352					116,352
Total Liabilities	481,006	44,596	4,539	172,720		702,861
Deferred Inflows property taxes	1,339,845				179,714	1,519,559
Fund Balance						
Nonspendable	-	-	-	-	-	-
Restricted	192,987	375,106	104,545	273,733	58	946,429
Unassigned	(48,538)					(48,538)
Total Fund Balance	144,449	375,106	104,545	273,733	58	897,891
Total Liabilities, Deferred Inflows,						
and Fund Balance	\$ 1,965,300	\$ 419,702	\$ 109,084	\$ 446,453	\$ 179,772	\$ 3,120,311

The accompanying notes are an integral part of these financial statements.

Governmental Fund Types - Combining Statement of Revenue, Expenditures and Changes in Fund Balance Year Ended April 30, 2015

	General Fund	Garbage Fund	Recreation Fund	Motor Fuel Tax Fund	Debt Service Fund	Total
Revenue						
Property taxes	\$ 1,217,172	\$ -	\$ -	\$ -	\$ 176,296	\$ 1,393,468
Intergovernmental revenue	1,713,359	-	-	264,933	-	1,978,292
Utility taxes	597,916	-	-	-	-	597,916
Fines	132,316	-	-	-	-	132,316
Classes	-	-	20,357	-	-	20,357
Craft Fair	-	-	3,768	-	-	3,768
Creative playtime	-	-	59,782	-	-	59,782
Licenses, fees, permits, taxes	323,878	612,770	209	-	-	936,857
Summer camp	-	-	14,216	-	-	14,216
Club fees	-	-	98,120	-	-	98,120
Grants and donations	23,193	-	1,100	-	-	24,293
Miscellaneous and other income	195,742	-	5,982	-	-	201,724
Loan Proceeds	101,316	-	-	-	620,000	721,316
Interest income	6,958	1,050	-	869	373	9,250
Total Revenue	4,311,850	613,820	203,534	265,802	796,669	6,191,675
Expenditures						
Administrative	2,742,169	92,323	122,290	-	-	2,956,782
Contractual	945,253	532,208	4,504	61,256	-	1,543,221
Commodities	160,115	10,365	20,574	34,750	-	225,804
Other expenditures	35,965	-	22,762	· -	-	58,727
Capital expenditures	188,061	-	-	135,994	-	324,055
Debt serviceprincipal	76,853	-	-	· -	830,000	906,853
Debt serviceinterest	5,869				25,319	31,188
Total Expenditures	4,154,285	634,896	170,130	232,000	855,319	6,046,630
Operating transfers in/(out)	(5,314)				(109,686)	(115,000)
Excess (deficiency) of revenue over expenditures and other uses	152,251	(21,076)	33,404	33,802	(168,336)	30,045
Fund Balance						
Balance, beginning of year	(7,802)	396,182	71,141	239,931	168,394	867,846
Total Fund Balance	\$ 144,449	\$ 375,106	\$ 104,545	\$ 273,733	\$ 58	\$ 897,891

The accompanying notes are an integral part of these financial statements.

Reconciliations of the Governmental Funds to the Statement of Net Position and Statement of Activities Year Ended April 30, 2015

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE TO THE STATEMENT OF NET ASSETS

Total Fund BalancesTotal Governmental Funds	\$	897,891
Capital assets used in governmental activities are not financial		
resources and therefore are not reported in the funds.		
Amount net of depreciation		32,131,493
Other employee benefit obligations accruals are not reported in funds		(839,285)
Long term debt is not recorded in the fund statement but is included		
as a liability in the Statement of Net Position	_	(982,765)
Total Net Position of Governmental Activities	\$	31,207,334
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION Excess (Deficiency) of Revenue Over Expenditures		
Governmental Funds	\$	30,045
Governmental funds report capital outlays as expenditures; however for the Statement of Activities the amounts are capitalized and depreciation over their useful life. (amount shown is net of depreciation)		(369,161)
Governmental funds report the payment of debt as a expenditure; however the Statement of Activities records		
the payment as a reduction in the debt liability.		180,517
Governmental funds do not accrue for deferred compensation		
but the expenses are accrued for the Statement of Activities.		33,184
	_	(107.117)

Changes in Net Position governmental funds

(125,415)

Balance Sheet - Proprietary Waterworks Fund April 30, 2015

Assets	Waterworks Fund		Bond Reserve Fund		Depreciation Bond Fund		Construction Fund		Total	
Cash	\$ 2	479,158	\$	- \$	_	\$	_	\$	2,479,158	
Total cash and investments	2	479,158		<u>-</u>	-		-		2,479,158	
Accounts receivable, net of allowance Construction in progress		111,506 45,435		-	-		-		111,506 45,435	
Fixed assets, net of depreciation Due from other funds	8	,382,798 41,977		- 	<u>-</u>		<u>-</u>		8,382,798 41,977	
Total Assets	\$ 11	,060,874	\$	- \$		\$		\$	11,060,874	
Liabilities										
Accounts payable and accruals	\$	-	\$	- \$	-	\$	-	\$	-	
Accrued payroll		12,512		-	-		-		12,512	
Water deposits		20,965		-	-		-		20,965	
Bonds Payable - current		90,000		-	-		-		90,000	
Bonds Payable - noncurrent		465,000		-	-		-		465,000	
Deferred compensation - noncurrent		19,748		<u> </u>			_		19,748	
Total Liabilities		608,225		<u>-</u>					608,225	
Fund Balance										
Fund Balance - unreserved		-		-	-		-		-	
Contributed capital	4	,091,867		-	-		-		4,091,867	
Retained earnings	6	,360,782		<u>-</u>	-		-		6,360,782	
Total Fund Balance	10	452,649		<u>-</u>					10,452,649	
Total Liabilities and Fund Balance	\$ 11	,060,874	\$	- \$		\$	-	\$	11,060,874	

Proprietary Fund - Waterworks Statement of Revenue, Expenses and Changes in Fund Balance Year Ended April 30, 2015

Revenue		Waterworks Fund		Bond Reserve Fund		Depreciation Bond Fund		Construction Fund		Total	
Water usage charges	\$	829,719	\$	_	\$	_	\$	_	\$	829,719	
Water meters		8,950		-		-		-		8,950	
Inspection fees		1,490		-		-		-		1,490	
Late fees and discounts		35,738		-		-		-		35,738	
Miscellaneous and other income		56,772		-						56,772	
Total Revenue		932,669				_				932,669	
Expenses											
Administrative		555,027		-		-		-		555,027	
Contractual		195,957		-		-		-		195,957	
Commodities		129,872		-		-		-		129,872	
Capital expenditures		44,978								44,978	
Total Expenditures		925,834		-		_				925,834	
Operating Income Before											
Depreciation/Amortization		6,835		<u>-</u>						6,835	
Less: Depreciation and Amortization		240,199						_		240,199	
Operating Income (Loss)		(233,364)				-				(233,364)	
Non-Operating Income (Expense)											
Interest expense		(13,057)		-		-				(13,057)	
Interest income		10,804								10,804	
Total Non-operating Income/(Expense)		(2,253)								(2,253)	
Net Income (Loss)		(235,617)		-		-		-		(235,617)	
Fund Balance, beginning of year		10,078,029		110,771		128,462		145,944		10,463,206	
Operating Transfers		500,177		(110,771)		(128,462)		(145,944)		115,000	
Capitalized connection fees		110,060		<u>-</u>		<u>-</u>		-		110,060	
Total Fund Balance	\$	10,452,649	\$		\$	-	\$		\$	10,452,649	

Proprietary Fund Type - Statement of Cash Flows Year Ended April 30, 2015

Cashflows from Operating Activities Cash received from customers and users Cash paid to suppliers Cash paid for personnel	\$ 968,962 (631,969) (555,028)
Net Cash Provided by Operating Activities	 (218,353)
Cashflows from Investing Activities	
System additions net	 (421,009)
Net Cash Provided by Investing Activities	 (421,009)
Cashflows from Capital & Financing Activities	
Transfers from Capital Projects	115,000
Contributed connection fees	110,060
Interest income	10,804
Interest payments	(13,057)
Bond/note payments, net	 (88,614)
Net Cash Provided by Capital & Financing Activities	134,193
Net Increase/(Decrease) in Cash	(505,169)
Cash, at beginning of year	 2,984,327
Cash, at end of year	\$ 2,479,158
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Net income (loss) for the year	\$ (235,617)
Depreciation/amortization	240,199
Interest/grants reported in financing activities	2,253
(Increase) decrease in accounts receivable	35,975
(Increase) decrease in due from other funds	145,666
Increase (decrease) in accounts payable	(13,916)
Increase (decrease) in accrued payroll	1,606
Increase (decrease) in deposits	824
Increase (decrease) deferred compensation	(7,552)
Increase (decrease) in due from	(387,791)
Net Cash Provided by Operating Activities	\$ (218,353)

Cash payments for interest made during the year were \$ 13,057.

Fiduciary Fund Type - Police Pension Fund - Statement of Net Position April 30, 2015

Assets

Cash and Cash Equivalents	\$ 39,549
Investments, at Fair Value:	
U.S. Government and Agency Obligations	776,565
State and Local Obligations	238,225
Corporate Bonds	819,942
Equity Mutual Funds	1,241,731
Accrued Interest Receivable	24,301
Other Receivable	27,509
Due from the Village of Island Lake	262,471
Due from the vinage of Island Lake	202,471
Net Position	
Held in Trust for Pension Benefits	\$ 3,430,293

Fiduciary Fund Type - Police Pension Fund - Statement of Activities and Changes in Net Position Year Ended April 30, 2015

Additions	
Contributions - Employer	\$ 244,810
Contributions - Plan Members	171,675
Total Contributions	416,485
Investment Income	
Interest Earned	112,300
Net Change in Fair Value	31,928
Total Investment Income	144,228
Less Investment Expenses	(8,285)
Net Investment Income	 135,943
Total Additions	 552,428
Deductions	21 021
Administration	21,921
Benefits and Refunds:	045.710
Benefits	265,712
Total Deductions	287,633
Change in Net Position	264,795
Net Position Held in Trust for Pension Benefits	
Net Position, Beginning of Year, May 1, 2014	 3,165,498
Net Position, End of Year, April 30, 2015	\$ 3,430,293

Notes to Financial Statements Year Ended April 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Island Lake, Illinois, (Village) is a municipal corporation governed by an elected president and six-member Board of Trustees. The Village's major operations include police safety, highway and street maintenance and reconstruction, forestry, building code enforcement, public improvements, economic development, planning and zoning, waterworks services and general administrative services.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the Village has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Village has chosen not to do so. The more significant of the Village's accounting policies established in GAAP and used by the Village are described below.

A. REPORTING ENTITY

The Village's financial reporting entity comprises the following:

Primary Government Village -

In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units- an Amendment of GASB Statement No. 14," and includes all component units that have a significant operational or financial relationship with the Village. Based upon the criteria set forth in the GASB Statement No. 39, there are no component units included in the reporting entity.

Police Pension Employees Retirement System -

The Village's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's President, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the Village, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's police employees. The PPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the PPERS.

Notes to Financial Statements Year Ended April 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. BASIS OF PRESENTATION

Government-Wide Statements -

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Village's police, highway and street maintenance and reconstruction, forestry, building code enforcement, public improvements, economic development, planning and zoning, and general administrative services are classified as governmental activities. The Village's waterworks services are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Village's net position is reported in three parts: invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The Village first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, public safety, culture and recreation, etc.) The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.).

The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) changes to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The net costs (by function or business-type activity) are normally covered by general revenue (property tax, sales tax, intergovernmental revenues, interest income, etc.).

The Village allocates indirect costs to the proprietary funds for personnel who perform administrative services for those funds, along with other indirect costs deemed necessary for their operations, but are paid through the General Fund.

This government-wide focus concentrates on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

Fund Financial Statements -

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by

Notes to Financial Statements Year Ended April 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. BASIS OF PRESENTATION – (concluded)

Fund Financial Statements – (concluded)

category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Village electively added funds, as major funds, which either had debt outstanding or specific community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

- Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

C. GOVERNMENTAL FUNDS

The focus of the governmental funds measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The various funds are reported by generic classification within the financial statements. The following fund types are used by the Village:

General fund -

The general operating fund of the Village is used to account for all financial resources except those required to be accounted for in another fund. The general fund is a major fund.

Special revenue funds —

The special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains three major special revenue funds. The Garbage Fund is used to account for restricted revenues and expenditures related to the disposal of residential solid waste. The Recreation Fund is used to account for revenues and expenditures related to the establishment and maintenance of recreational programs. The Motor Fuel Tax Fund is used to account for restricted funds received from the State of Illinois Motor Fuel Tax to be used for operating and maintaining local streets and roads.

Debt service funds -

The debt service funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Debt Service Fund is treated as a major fund and is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Notes to Financial Statements Year Ended April 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. GOVERNMENTAL FUNDS - (concluded)

Proprietary Funds -

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary fund of the Village:

Enterprise funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village maintains one major enterprise fund, the Waterworks Fund, which is used to account for revenues and expenses related to the operation of the waterworks utilities.

Fiduciary Funds -

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Village programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

Pension trust funds are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to be used for disability and retirement annuity payments to employees covered by the plan.

Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the Village, these funds are not incorporated into the government-wide statements.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

On the government-wide Statement of Net Position and the Statement of Activities and Changes in Fund Balance, both governmental and business-like activities are presented using the economic resources measurement focus as defined on the following pages.

Notes to Financial Statements Year Ended April 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - (continued)

Measurement Focus -

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary and pension trust funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net position.

Basis of Accounting -

In the government-wide Statement of Net Position and Statement of Activities and Changes, both governmental and business-like activities are presented using 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 economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, franchise taxes, licenses, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary and pension trust funds utilize 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 economic asset used.

Notes to Financial Statements Year Ended April 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – (concluded)

Basis of Accounting – (concluded)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Village's enterprise funds, are charges to customers for sales and services. The Village also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

E. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY

Cash and Investments -

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits, and cash with fiscal agent. For the purpose of proprietary funds "Statement of Cash Flows", cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

Receivables -

In the government-wide financial statements, receivables consist of all revenues earned at yearend and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, franchise taxes, and grants. Business-type activities report waterworks charges as their major receivables.

Interfund Receivables, Payables and Activity -

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Notes to Financial Statements Year Ended April 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY – (continued)

Prepaids -

Prepaids are valued at cost, which approximates market. The cost of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements.

Capital Assets -

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated fair market value on the date donated.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Land improvements	10 Years
Buildings	50 Years
Machinery and equipment	5 - 20 Years
Vehicles	5 - 10 Years
Infrastructure	50 Years
Water Plant	40 - 70 Years

Compensated Absences -

The Village accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for non-vesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as "terminal leave" prior to retirement.

Notes to Financial Statements Year Ended April 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

E. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY – (concluded)

Compensated Absences – (concluded)

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations -

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

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

Deferred Inflows-

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

Fund Equity –

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

Net investment in capital assets -

Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net assets -

Consists of net assets with constraints placed on the 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 legislations.

Unrestricted net assets -

All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Notes to Financial Statements Year Ended April 30, 2015

NOTE 2 – STEWARDSHIP, ACCOUNTABILITY AND BUDGETARY COMPLIANCE

All budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general, special revenue, debt service, enterprise, and pension trust funds. All annual appropriations lapse at fiscal year end.

During the first quarter of each year, the Finance Committee of the Board of Trustees, working in conjunction with the Village Treasurer, drafts an appropriation ordinance to be adopted by the Village Board. This ordinance appropriates each sum of money as are deemed necessary to be deposited in the reserves provided for in the Illinois Pension Code. The ordinance also specifies the objects and purposes for which these appropriations are made and the amount appropriated for each.

Prior to adoption of the appropriation ordinance, the Village makes the proposed ordinance conveniently available for public inspection and holds at least one hearing subsequent to published notice. Subsequent to the public hearing and before final action is taken on the appropriation ordinance, the Village Board may revise, alter, increase, or decrease the items contained therein.

Final action to adopt the appropriation for the year ended the following April 30th, is taken by the Board before July 31st.

The Board may subsequently transfer appropriation amounts to other appropriations. Furthermore, under certain conditions, it may pass a supplemental appropriation; however, a supplemental appropriation was not passed during the fiscal year.

Expenditures may not legally exceed budgeted appropriations at the fund level. During the year, no supplemental appropriations were made.

Budgetary Compliance -

The Village's budgetary comparison schedules are presented using the appropriations ordinance of the Village, the legal spending limit of the Village is outlined in the Appropriation Ordinance. The following funds have expenditures/expenses over the appropriations ordinance, but under the legal spending limit detailed in the Appropriation Ordinance, with the exception of the Police Pension Fund.

Notes to Financial Statements Year Ended April 30, 2015

NOTE 2 — STEWARDSHIP, ACCOUNTABILITY AND BUDGETARY COMPLIANCE (concluded)

Budgetary Compliance – (concluded)

Final		Actual	
Appropriation		Expenditures	
\$ 5,754,324	\$	4,156,884	
330,000		232,000	
220,900		170,129	
668,000		633,845	
500,000		295,918	
	Appropriation \$ 5,754,324	Appropriation \$ 5,754,324 \$ 330,000 220,900 668,000	

NOTE 3 – DETAIL NOTES ON ALL FUNDS, DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds except the pension trust funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments". In addition, investments are separately held by several of the Village's funds.

Permitted Deposits and Investments – Statutes authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Pension funds may also invest in certain non-U.S. obligations, mortgages, veteran's loans, life insurance company contracts, money market mutual funds and common and preferred stocks.

The deposits and investments of the Pension Funds are held separately from those of other Village funds. Statutes authorize the Pension Funds to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois Bonds; pooled accounts managed by the Illinois Public Treasurer, or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies and separate accounts of life insurance companies provided the investment in separate accounts does not exceed ten percent of the pension fund's net position.

Notes to Financial Statements Year Ended April 30, 2015

NOTE 3 — DETAIL NOTES ON ALL FUNDS, DEPOSITS AND INVESTMENTS (continued)

Illinois Funds is an investment pool managed by the Illinois public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. Although not registered with the SEC, Illinois Funds does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

A. VILLAGE INTEREST RATE RISK, CREDIT RISK, CUSTODIAL CREDIT RISK AND CONCENTRATION RISK

Deposits -

At year-end, the carrying amount of the Village's deposits for governmental and business- type activities totaled \$3,289,555 and the bank balances totaled \$3,347,135. Additionally at year-end, the Village has \$32,609 invested in the Illinois Funds.

Interest Rate Risk -

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village's investment policy states that safety of principal is the foremost object of the Village. The policy additionally states that the investments of the Village shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. At April 30, 2015, the Village does not have any other investments outstanding other than the investment in the Illinois Funds, which has an average maturity of less than one year.

Credit Risk -

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in instruments authorized under State Statute, the Village's investment policy does not further limit investment instrument choices. At April 30, 2015, the Village's investment in the Illinois Funds is rated AAA by Standard & Poor's.

Notes to Financial Statements Year Ended April 30, 2015

NOTE 3 — DETAIL NOTES ON ALL FUNDS DEPOSITS AND INVESTMENTS (continued)

A. VILLAGE INTEREST RATE RISK, CREDIT RISK, CUSTODIAL CREDIT RISK AND CONCENTRATION RISK (concluded)

Custodial Credit Risk -

In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. At year-end, the entire amount of the bank balance of deposits was covered by federal depository or equivalent insurance. For an investment, this is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village's investment policy states that all funds on deposit in banks are to be at a collateralization level of 102% of market value of principal and accrued interest. At year-end, the Village's investment in the Illinois Funds is non-categorizable for custodial credit risk.

Concentration Credit Risk -

This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy states that the Village shall diversify investments by security type and institution. At year-end, the Village's investment in the Illinois Funds represents more than 5% of the total cash and investment portfolio.

B. POLICE PENSION FUND-INTEREST RATE RISK, CREDIT RISK, CUSTODIAL CREDIT RISK AND CONCENTRATION RISK

Deposits -

At year-end, the carrying amount of the Pension Fund deposits totaled \$39,549 and the bank balances totaled \$39,549.

Police Pension Fund Investments -

At year-end, the Pension Fund has the following investments and maturities:

	 	Investment Maturities (in Years)			
	Fair	Less Than			More than
	 Value	1	1 to 5	6 to 10	10
U.S. Treasury Notes	\$ 57,603	-	57,603	-	-
U.S. Agencies	718,962	43,485	444,799	230,678	-
State and Local Obligation	238,225	-	80,726	157,499	-
Corporate Bonds	 819,942	95,749	425,660	298,533	
	\$ 1,834,732	139,234	1,008,788	686,710	-
			·		

The Pension Fund assumes any callable securities will not be called.

Notes to Financial Statements Year Ended April 30, 2015

NOTE 3 — DETAIL NOTES ON ALL FUNDS DEPOSITS AND INVESTMENTS (continued)

B. POLICE PENSION FUND-INTEREST RATE RISK, CREDIT RISK, CUSTODIAL CREDIT RISK AND CONCENTRATION RISK (continued)

Interest Rate Risk -

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the Fund's investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities.

Credit Risk -

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Fund helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Pension Fund's investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The Investments in the securities of U.S. government agencies and state and local securities were all rated AAA by Standard & Poor's or by Moody's Investors Services. Corporate Bonds held at year-end were rated between BBB+ and A by Standard & Poor's. The Pension Fund's investment policy also prescribes to the "prudent person" rule, which states, "investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the primary objective of safety as well as the secondary objective of the attainment of market rates of return."

Custodial Credit Risk – Deposits –

In the case of deposits, this is the risk that in the event of a bank failure, the Pension Fund's deposits may not be returned to it. At April 30, 2015, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The Pension Fund's investment policy requires that all deposits in excess of FDIC insurable limits be secured by collateral in order to protect deposits from default.

Custodial Credit Risk – Investments –

For an investment, this is the risk that, in the event of the failure of the counterparty, the Pension Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Equity mutual funds are not subject to custodial credit risk. At April 30, 2015, the U.S. Government Agencies and the State and Local obligations are held by the counterparty in the trust department. The Pension Fund limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the Pension Fund, to act as custodian for its securities and collateral.

Notes to Financial Statements Year Ended April 30, 2015

NOTE 3 — DETAIL NOTES ON ALL FUNDS DEPOSITS AND INVESTMENTS (continued)

B. POLICE PENSION FUND-INTEREST RATE RISK, CREDIT RISK, CUSTODIAL CREDIT RISK AND CONCENTRATION RISK (continued)

Concentration Credit Risk -

This is the risk of loss attributed to the magnitude of the Pension Fund's investment in a single issuer. In accordance with the Pension Fund's investment policy, the Pension Fund may invest in any type of investment instrument permitted by Illinois law. At April 30, 2015, the Pension Fund has over 5% of plan net position invested in various agency securities as indicated in the previous table. Agency investments represent a large portion of the portfolio; however the investments are diversified by maturity date and as mentioned earlier are backed by the issuing organization. Although unlike Treasuries, agency securities do not have the "full faith and credit" backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation.

The Pension Fund's investment policy has the below allocation guidelines, by asset class, for fixed income investments as follows:

	Normal Allocation	Range of Allocation
Cash, Money Market, IL Funds	0%	0-10%
Bank Certificate of Deposits	0%	0-10%
U.S. Treasury Securities	10%	0-40%
U.S. Government Agency Securities	50%	0-75%
U.S. Government Agencys MBS's	0%	0-20%
Taxable Municipal Securities	10%	0-20%
Corporate Bonds	30%	0-50%

- Cash will be maintained to manage cashflow of the Fund or as a transition asset.
- Bank certificates of deposit will only be used if market returns are favorable. They will be used as a substitute for the Treasury and Agency portion of the portfolio.
- Under normal market conditions the structure of the portfolio will be within these limits; however, the portfolio manager may diverge from the above suggestions due to abnormal market conditions.

Notes to Financial Statements Year Ended April 30, 2015

NOTE 3 — DETAIL NOTES ON ALL FUNDS DEPOSITS AND INVESTMENTS (continued)

B. POLICE PENSION FUND-INTEREST RATE RISK, CREDIT RISK, CUSTODIAL CREDIT RISK AND CONCENTRATION RISK (concluded)

Concentration Credit Risk – (concluded)

The Pension Fund's investment policy states that once the Fund reaches the equity allocation approved by the Board and permitted by law, normal asset allocation range for equity portfolio allocation weightings should be:

	Normal	Range of
	Allocation	Allocation
U.S. Large Company Stocks	65%	30%
U.S. Mid-Sized Company Stocks	10%	10%
U.S. Small Company Stocks	10%	10%
Foreign Stocks	15%	15%

Property Taxes -

Property taxes for 2014 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, 2015 and September 1, 2015. 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.

Notes to Financial Statements Year Ended April 30, 2015

NOTE 3 — DETAIL NOTES ON ALL FUNDS DEPOSITS AND INVESTMENTS (continued)

C. CAPITAL ASSETS

Governmental Activities -

Governmental capital asset activity for the year was as follows:

	Beginning			Ending
	Balances	Increases	Decreases	Balances
Nondepreciable capital assets				
Land	\$ 8,090,536	-	- \$	8,090,536
Depreciable capital assets				
Land improvements	215,000	-	-	215,000
Buildings	670,800	51,485	-	722,285
Machinery and equipment	383,724	8,639	-	392,363
Vehicles	871,148	123,269	-	994,417
Infrastructure	38,547,747	382,165	-	38,929,912
	40,688,419	565,558	-	41,253,977
Less accumulated depreciation				
Land improvements	215,000	-	-	215,000
Buildings	285,644	15,026	-	300,670
Machinery and equipment	213,999	29,678	-	243,677
Vehicles	563,907	80,886	-	644,793
Infrastructure	15,066,119	739,328	-	15,805,447
	16,344,669	864,918	-	17,209,587
Total net depreciable capital assets	24,343,750	(299,360)	-	24,044,390
Total net capital assets	\$ 32,434,286	(299,360)	- \$	32,134,926

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 20,893
Public Safety	56,169
Highways and Streets	 787,856
	_
Governmental Depreciation	\$ 864,918

Notes to Financial Statements Year Ended April 30, 2015

NOTE 3 — DETAIL NOTES ON ALL FUNDS DEPOSITS AND INVESTMENTS (continued)

C. CAPITAL ASSETS (concluded)

Business-Type Activities -

Business-type capital asset activity for the year was as follows:

	Balance			B alance
	May 1, 2014	Increases	Decreases	April 30, 2015
Depreciable Capital Assets				
Equipment, furniture, and fixtures	515,909	-	-	515,909
Vehicles	146,616	-	-	146,616
Water System/Infrastructure	11,156,633	375,574	-	11,532,207
Construction in progress		45,435		45,435
	11,819,158	421,009		12,194,732
Accumulate Depreciation				
Equipment, furniture, and fixtures	260,267	9,638	-	269,905
Vehicles	146,616	-	-	146,616
Water System/Infrastructure	3,164,852	230,561		3,395,413
	3,571,735	240,199		3,811,934
Total Net Capital Assets	\$ 8,247,423	\$ 180,810		\$ 8,428,233

Depreciation expense of \$240,199 was charged to the waterworks business-type activities.

D. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Balances -

Interfund balances for the year consisted of the following:

Receivable Fund	Payable Fund	Amount
General	Motor Fuel Tax	\$ 172,720
Waterworks	Garbage	41,977
Police Pension	General	 262,471
		\$ 477,168

Notes to Financial Statements Year Ended April 30, 2015

NOTE 3 - DETAIL NOTES ON ALL FUNDS DEPOSITS AND INVESTMENTS (continued) E. LONG- TERM DEBT

Notes Payable -

The Village issues notes payable to provide funds for the acquisition capital equipment and facilities. Notes payable currently outstanding are as follows:

	Fund Debt	Beginning			Ending
Issue	Retired by	Balances	Issuances	Retirements	Balances
Note Payable of 2014 for the purchase of truck, due in monthly installments of \$1,174.83 including interest at 3.50% through December 15, 2018.	General	\$ 59,610	-	12,226	47,384
Note Payable of 2011 for the purchase of police cars, due in monthly installments of \$1,514 including interest at 3.00% through April 15, 2016.	General	35,197	-	17,335	17,862
Note Payable of 2015 for the purchase of police cars, due in monthly installments of \$1,592 including interest at 3.25% through October 15, 2018.	General	-	70,081	8,307	61,774
Note Payable of 2015 for the purchase of 2002 bucket truck, due in monthly installments of \$697 including interest at 3.25% through October 15, 2018.	General	-	31,255	3,697	27,558
Note Payable of 2011 for the purchase of Tahoe, due in monthly installments of \$735 including interest at 3.00% through September 1, 2015.	General	11,510	-	8,591	2,919
Note Payable of 2011 for the purchase of wood chipper, due in monthly installments of \$509 including interest at 3.00% through October 25, 2015.	General	8,931	-	5,923	3,008
Note Payable of 2012 for the purchase of Ford F 450, due in monthly installments of \$1,091 including interest at 3.25% through January 10, 2017	General	34,420	-	12,160	22,260
Note Payable of 2012 for the purchase of Ford F 250, due in monthly installments of \$873 including interest at 3.00% through February 10, 2015	Water Works	8,614	-	8,614	<u>-</u>
Totals		\$158,282	101,336	76,853	182,765

Notes to Financial Statements Year Ended April 30, 2015

NOTE 3 - DETAIL NOTES ON ALL FUNDS DEPOSITS AND INVESTMENTS (continued)

E. LONG-TERM DEBT (continued)

Bonds Payable -

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
Special Services Area #1 Refunding Bonds of 2004 (\$1,505,000) due in annual installments of \$20,000 to \$175,000 plus interest at 2.0% to 4.0% through December 1, 2015.	Debt	340,000	-	160,000	180,000
General Obligation (Alternate Revenue Source) Bonds, Series 2014 (\$620,000) due in annual installments of \$70,000 to \$90,000 plus interest at 2.00% to 3.20% through May 1, 2022.		-	620,000	-	620,000
General Obligation Limited Tax Debt Certificates of 2004 (\$1,140,000) due in annual installments of \$50,000 to \$90,000 plus interest at 2.1% to 4.65% through August 1, 2021.		665,000	-	665,000	-
Totals	9	\$ 1,005,000	620,000	825,000	800,000

Notes to Financial Statements Year Ended April 30, 2015

NOTE 3 — DETAIL NOTES ON ALL FUNDS DEPOSITS AND INVESTMENTS (continued)

E. LONG-TERM DEBT (continued)

Revenue Bonds Payable -

The Village also issues bonds for which the Village pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds currently outstanding are as follows:

	Fund Debt	Beginn	ning			Ending
Issue	Retired by	Balan	ces	Issuances	Retirements	Balances
General Obligation (Alternate Revenue Source) Bonds, Series 2014 (\$620,000) due in annual installments of \$70,000 to \$90,000 plus interest at 2.00% to 3.20% through May 1, 2022.	: :	\$	-	555,000	-	555,000
Revenue Refunding Bonds of 2003 (\$1,245,000) due in annual installments of \$15,000 to \$100,000 plus interest at 2.55% to 4.10% through May 1, 2020.		635	,000	-	635,000	
Totals	_	\$ 635	,000	555,000	635,000	555,000

Notes to Financial Statements Year Ended April 30, 2015

NOTE 3 — DETAIL NOTES ON ALL FUNDS DEPOSITS AND INVESTMENTS (continued)

E. LONG-TERM DEBT (continued)

Long-Term Liability Activity -

Changes in long-term liabilities during the fiscal year were as follows:

	F	Beginning			Ending	Amounts Due within
Type of Debt	5 5					One Year
Governmental Activities:						
Net pension obligation	\$	653,373	19,204	-	672,577	-
Net other post-employment						
Benefits obligations		18,429	-	-	18,429	-
Compensated absences		134,299	148,279	134,299	148,279	-
Notes payable		158,282	101,336	76,853	182,765	73,342
Bonds payable		1,005,000	620,000	825,000	800,000	240,000
	\$	1,969,383	888,819	1,036,152	1,822,050	313,342
D :						
Business-Type Activities:						
Compensated absences	\$	27,300	19,748	27,300	19,748	-
Notes payable		8,614	-	8,614	-	-
Revenue bonds payable		635,000	555,000	635,000	555,000	90,000
	\$	670,914	574,748	670,914	574,748	90,000

The General Fund makes payments on the net pension obligation and net other post-employment benefit obligation. Payments on the notes payable are made by the General and Waterworks Funds. The Debt Service Fund makes the payments on the bonds payable and the Waterworks Fund makes the payments on the revenue bonds payable. For the governmental activities, compensated absences are generally liquidated by the General Fund. Also, for business-type activities, compensated absences are liquidated by the Waterworks Fund.

Notes to Financial Statements Year Ended April 30, 2015

NOTE 3 — DETAIL NOTES ON ALL FUNDS DEPOSITS AND INVESTMENTS (continued)

E. LONG-TERM DEBT (continued)

Debt Service Requirements to Maturity -

The annual debt service requirements to maturity, including principal and interest, are as follows, with the exception of the variable rate bonds, in which future interest payments are not known:

			Governmen	tal Activities	
Fiscal Year					
Ending		Notes Pa	yable	Bonds Pa	ayable
30-Apr	I	Principal	Interest	Principal	Interest
2016	\$	73,342	5,483	250,000	18,425
2017		51,384	3,283	70,000	14,325
2018		39,706	1,863	75,000	12,875
2019		18,333	785	75,000	11,188
2020		-	-	75,000	9,125
2021		-	-	80,000	6,800
2022		-	-	85,000	4,240
2023		-	-	90,000	1,440
	\$	182,765	11,414	800,000	78,418

	Business-Type Activities							
Fiscal Year			_					
Ending	Bonds Payable							
30-Apr		Principal Principal	Interest					
			_					
2016	\$	90,000	12,625					
2017		85,000	10,875					
2018		90,000	9,125					
2019		95,000	7,038					
2020		100,000	4,350					
2021		95,000	1,425					
	\$	555,000	45,438					

Notes to Financial Statements Year Ended April 30, 2015

NOTE 3 — DETAIL NOTES ON ALL FUNDS DEPOSITS AND INVESTMENTS (continued)

E. LONG-TERM DEBT (concluded)

Defeased Debt -

In prior years the government defeased bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payment on the old bonds. Since the requirements which normally satisfy defeasance have been met, the financial statements reflect satisfaction of the original liability through the irrevocable transfer to an escrow agent of an amount computed to be adequate to meet the future debt service requirements of the issue. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government basic financial statements.

F. FUND BALANCE

Investment in capital assets – net of related debt, was comprised of the following as of April 30, 2015:

Governmental activities Capital assets - net of accumulated depreciation	\$	32,131,493
Less capital related debt:		
Notes payable	\$ (182,765)	
Bonds payable	(800,000)	(982,765)
Net investment in capital assets	\$	31,148,728
Business-type activities		
Capital assets - net of accumulated depreciation		8,428,233
Less capital related debt:		
Bonds payable	(555,000)	(555,000)
Net investment in capital assets	\$	7,873,233

Fund Balance Classifications -

The Village implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for the fiscal year ended April 30, 2015. In the governmental funds financial statements, the Village first utilizes restricted resources to finance qualifying activities, then committed, assigned and unassigned fund balance.

Minimum Fund Balance Policy -

The Village's policy manual states that the General Fund should maintain a minimum unreserved fund balance equal to three months of budgeted operating expenditures, excluding transfers and capital expenditures. Fund balances in excess of said levels may be transferred to the capital projects fund at the discretion of the Board.

Notes to Financial Statements Year Ended April 30, 2015

NOTE 3 — DETAIL NOTES ON ALL FUNDS DEPOSITS AND INVESTMENTS (concluded)

F. FUND BALANCE (concluded)

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

				Motor	Debt	
	 General	Garbage	Recreation	Fuel Tax	Service	Total
Fund Balances						
Nonspendable - prepaids	\$ -	-	-	-	-	
Restricted						
Property tax levies:						
Audit	15,935	-	-	-	-	15,935
IMRF	93,529	-	-	-	-	93,529
Social security	83,523	-	-	-	-	83,523
Garbage	-	375,106	104,545	273,733	58	753,442
Highways and streets	 -	-	-	-	-	
Total Restricted	 192,987	375,106	104,545	273,733	58	946,429
Unassigned	(48,538)	-	-	-	-	(48,538)
Total Fund Balances	\$ 144,449	375,106	104,545	273,733	58	897,891

NOTE 4 – RISK MANAGEMENT AND OTHER INFORMATION

A. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Village's employees. The Village purchases workers' compensation insurance from a commercial insurance company. The Village pays an annual premium for its insurance coverage based on total payroll of the Village for each plan year. Additionally, the Village's blanket insurance policy contains individual liability coverage on all employees. The Village purchases coverage against all other risks of loss from a commercial insurance company.

The Village currently reports all its risk management activities in the General Fund. There were no significant changes in insurance coverage from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

The McHenry County Municipal Risk Management Agency (MCMRMA) -

The McHenry County Municipal Risk Management Agency is a proprietary agency whose members are McHenry County, Illinois governments. MCMRMA manages and funds first party property losses, third party liability claims, workers' compensation claims, and Public Officials liability claims of its members.

Notes to Financial Statements Year Ended April 30, 2015

NOTE 4 – RISK MANAGEMENT AND OTHER INFORMATION (continued)

B. RISK MANAGEMENT

Each member assumes the first \$1,000 of each occurrence, and has self-insurance retention at various amounts. Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are two officers, a Chairman and a Treasurer.

The Village does not exercise any control over the activities of the Agency beyond its representation on the Board of Directors.

Initial contributions are determined in advance of each membership year based on the individual member's eligible revenue as defined in the bylaws of MCMRMA and assessment factors based on past member experience and the funding needs for the membership year. The Board of Directors may require that supplemental contributions be made by members to ensure adequate funds are available to meet the obligations applicable to the membership year.

Members have a contractual obligation to fund any deficit of MCMRMA attributable to a membership year during which they were a member.

C. CONTINGENT LIABILITIES

Litigation -

The Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

Grants -

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

D. EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system, the Sheriffs Law Enforcement Personnel Fund (SLEP), which is also a defined benefit agent multiple-employer public employee retirement system that is administered by the IMRF, and the Police Pension Plan which is a single-employer pension plan. Separate reports are issued for the Police Pension Plan and may be obtained by writing to the Village at 3720 Greenleaf Avenue, Island Lake, Illinois 60042. IMRF also issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained on-line at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly.

Notes to Financial Statements Year Ended April 30, 2015

NOTE 4 – RISK MANAGEMENT AND OTHER INFORMATION (continued)

E. PLAN DESCRIPTIONS, PROVISIONS AND FUNDING POLICIES

Illinois Municipal Retirement System -

All employees (other than those covered by the Police Pension plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Participating members hired before January 1, 2011 who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2 percent for each year thereafter. For participating members hired on or after January 1, 2011 who retire at or after age 67 with 10 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1-2/3 percent of their final rate (average of the highest 96 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service, with a maximum salary cap of \$106,800 at January 1, 2011. The maximum salary cap increases each year thereafter.

The monthly pension of a member hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 62, by the lesser of 3% or 1/2 the consumer price index. Employees with at least 10 years of credited service may retire at or after age 62 and receive a reduced benefit. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Employees participating in the plan are required to contribute 4.50 percent of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The Village is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer contribution and annual required contribution rate for calendar year 2014 was 13.14 percent.

Sheriff's Law Enforcement Personnel -

Sheriffs Law Enforcement Personnel (SLEP), having accumulated at least 30 years of SLEP service and terminating IMRF participation on or after January 1, 1988, may elect to retire at or after age 50 with no early retirement discount penalty. SLEP members meeting these two qualifications are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.50% of their final rate of earnings, for each year of credited service up to 20 years, 2.00% of their final earning rate for the next 10 years of credited service and 1.00% for each year thereafter. For those SLEP members retiring with less than 20 years of SLEP service, the regular IMRF pension formula applies. SLEP also provides death and disability benefits.

These benefit provisions and all other requirements are established by State statutes. SLEP members are required to contribute 7.50% of their annual salary to SLEP. The Village is required to contribute the remaining amounts necessary to fund the IMRF as specified by statute. The employer contribution rate for the calendar year 2014 was 11.44 percent.

Notes to Financial Statements Year Ended April 30, 2015

NOTE 4 – RISK MANAGEMENT AND OTHER INFORMATION (continued)

E. PLAN DESCRIPTIONS, PROVISIONS AND FUNDING POLICIES (continued)

Police Pension Plan -

The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

At April 30, 2013, the date of the latest actuarial valuation, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving	
benefits and terminated employees entitled to	
benefits but not yet receiving them	7
Current employees	
Vested and non-vested	13
Total	20

The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of 1/2 of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Covered employees hired on or after January 1, 2011, attaining the age of 55 with at least 10 years creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a police officer hired before January 1, 2011, who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter. The monthly pension of a police officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, but the lesser of 3% or 1/2 of the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

Notes to Financial Statements Year Ended April 30, 2015

NOTE 4 – RISK MANAGEMENT AND OTHER INFORMATION (continued)

E. PLAN DESCRIPTIONS, PROVISIONS AND FUNDING POLICIES (concluded)

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2040 the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded.

F. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PLAN ASSET MATTERS

Basis of Accounting –

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments -

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price.

Significant Investments -

There are no investments (other than U.S. Government and U.S. Government-guaranteed obligations) in the police pension fund that represent 5 percent or more of net position available for benefits for the Police Pension Fund. Information for IMRF is not available.

Related Party Transactions -

There are no securities of the employer or any other related parties included in plan assets.

Annual Pension Cost and Net Pension Obligation -

The IMRF and SLEP Plan did not have pension obligations at year-end. The amount of the pension liability for the Police Pension Plan is as follows:

Notes to Financial Statements Year Ended April 30, 2015

NOTE 4 - RISK MANAGEMENT AND OTHER INFORMATION (continued)

F. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PLAN ASSET MATTERS (continued)

Annual Pension Cost and Net Pension Obligation

Annual required contribution	\$	244,810
Interest on the NPO		38,408
Adjust to the ARC		(19,204)
Annual pension cost		264,014
Accrued contribution		244,810
Increase in the NPO		19,204
NPO, beginning of year		653,373
NIDO 1 - C	ď	(72 577
NPO, end of year	\$	672,577

The Village's annual required contribution for the current year and related information for each plan is as follows:

	Illinois	Sheriff's Law	
	Municipal	Enforcement	
	Retirement	Personnel	Police Pension
Contribution rates:			
Employer	13.14%	9.80%	22.66%
Employee	4.50%	7.50%	9.91%
Actuarial valuation date	12/31/2014	12/31/2014	4/30/2013
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level % of projected payroll open basis	Level % of projected payroll open basis	Level % of projected payroll open basis
Remaining amortization period	30 years	30 years	30 years
Asset valuation method	5 year smoothed market	5 year smoothed market	Market
Actuarial assumptions: Investment rate of return Projected salary increases Inflation rate included Cost-of-living adjustments	7.5% compounded annually .4 to 10.0% 4.00% 3.00%	7.5% compounded annually .4 to 10.0% 4.00% 3.00%	7.0% compounded annually 5.50% 3.00% 3.00%

Notes to Financial Statements Year Ended April 30, 2015

NOTE 4 - RISK MANAGEMENT AND OTHER INFORMATION (continued)

F. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PLAN ASSET MATTERS (continued)

Trend Information -

Employer annual pension cost (APC), actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the APC and the contributions actually made or accrued.

		Illinois	Sheriff's Law	
	Fiscal	Municipal	Employment	Police
_	Year	Retirement	Personnel	Pension
Annual pension cost - (APC)	2012	\$ 167,526	10,692	256,585
	2013	166,783	8,402	266,325
	2014	164,132	10,148	264,014
Annual contributions	2012	167,526	8,402	216,619
	2013	166,783	10,148	229,487
	2014	164,132	9,581	244,810
Percentage of APC contributed	2012	100.00%	100.00%	84.42%
	2013	100.00%	100.00%	86.17%
	2014	100.00%	100.00%	92.73%
Net pension obligation - (NPO)	2012	N/A	N/A	629,404
	2013	N/A	N/A	653,373
	2014	N/A	N/A	672,577

Notes to Financial Statements Year Ended April 30, 2015

NOTE 4 – RISK MANAGEMENT AND OTHER INFORMATION (continued)

F. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PLAN ASSET MATTERS (concluded)

Funded Status and Funding Progress -

The Village's funded status for the current year and related information for each plan is as follows:

		Illinois	Sheriff's Law	
		Municipal	Employment	Police
		Retirement	Personnel	Pension
	•	10 /21 /0014	10 /21 /0014	4 /20 /2012
Actuarial valuation date		12/31/2014	12/31/2014	4/30/2013
Percent funded		75.40%	252.31%	56.86%
Actuarial accrued liability for benefits	\$	3,565,697 \$	67,868	\$ 5,599,018
Actuarial value of assets		2,506,948	135,007	3,183,428
Over (under) funded actuarial				
accrued liability (UAAL)	\$	(1,058,749) \$	67,139	\$ (2,415,590)
Covered payroll (annual payroll of active employees covered by the plan)	\$	1,005,641 \$	83,751	\$ 817,255
Ratio of UAAL to covered payroll		105.28%	n/a	295.57%

The schedule of funding progress, presented as Required Supplementary Information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

G. OTHER POST-EMPLOYMENT BENEFITS

Plan Descriptions, Provisions, and Funding Policies -

In addition to providing the pension benefits described, the Village provides post-employment health care insurance benefits (OPEB) for its eligible retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Village's General Fund.

Notes to Financial Statements Year Ended April 30, 2015

NOTE 4 – RISK MANAGEMENT AND OTHER INFORMATION (continued)

G. OTHER POST-EMPLOYMENT BENEFITS (continued)

Plan Descriptions, Provisions, and Funding Policies – (continued)

The Village provides post-employment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the Village's retirement plans. Elected officials are eligible for benefits if they qualify for retirement through the Illinois Municipal Retirement Fund.

All health care benefits are provided through the Village's health insurance plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the Village's plan becomes secondary.

All retirees contribute 100% of the actuarially determined premium to the plan. For the fiscal year ending April 30, 2013, retirees contributed \$4,850. Active employees do not contribute to the plan until retirement.

At April 30, 2013, membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them

Active employees Total Participating employers	35
Total	35
Participating employers	1

The Village does not currently have a funding policy.

Notes to Financial Statements Year Ended April 30, 2015

NOTE 4 – RISK MANAGEMENT AND OTHER INFORMATION (continued)

G. OTHER POST-EMPLOYEMNT BENEFITS (continued)

Plan Descriptions, Provisions, and Funding Policies – (continued)

Annual OPEB Costs and Net OPEB Obligation -

The net OPEB obligation (NOPEBO) as of April 30, 2015 was calculated as follows:

Annual required contribution	\$ 6,633
Interest on the NPO	435
Adjustment to the ARC	 (218)
Annual OPEB cost	6,850
Actual Contribution	 6,850
Increase in the NPO	-
NPO, beginning of year - May 1, 2014	 18,429
NPO, end of year - April 30, 2015	\$ 18,429

Trend Information -

The Village's annual OPEB cost, actual contributions, the percentage of annual OPEB cost contributed and the net OPEB obligation are as follows:

	Annual		Percentage of	Net
Fiscal	OPEB	Actual	OPEB cost	OPEB
Year	Cost	Contributions	Contributed	Obligation
2011	\$ 6,366	1,987	31.2% \$	8,703
2012	6,850	1,987	29.0%	13,566
2013	6,850	1,987	29.0%	18,429

Notes to Financial Statements Year Ended April 30, 2015

NOTE 4 – RISK MANAGEMENT AND OTHER INFORMATION (concluded)

G. OTHER POST-EMPLOYMENT BENEFITS (concluded)

Plan Descriptions, Provisions, and Funding Policies – (concluded)

Funded Status and Funding Progress -

The funded status of the plan as of April 30, 2013, the date of the latest actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	\$ 56,696
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	56,696
Funded ratio = (Actuarial value of plan assets/AAL)	-
Covered payroll - active plan members	2,634,561
UAAL as a percentage of covered payroll	2.15%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions –

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the April 30, 2010 actuarial valuation the entry age actuarial cost method was used. The actuarial assumptions included a 5.0% investment rate of return (net of administrative expenses and an annual healthcare cost trend rate of 6.0%. Both rates include a 3.0% inflation assumption. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2013, was 30 years.

Notes to Financial Statements Year Ended April 30, 2015

NOTE 5 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

As of these financial statements, the Village has adopted GASB Statement No. 65, which redefined how certain financial statement elements are presented in the statement of financial position. The elements are classified as follows:

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The Village has no items in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Village has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. Deferred inflows of resources (\$1,519,559) reported in the governmental funds for unavailable revenues are all from property taxes to be received in the following year.



Notes to Required Supplementary Information Year Ended April 30, 2015

The accounting policies of the Village include the preparation of financial statements on the modified accrual basis of accounting. The Village also prepares its budget on the modified accrual basis of accounting.

Under the modified accrual basis of accounting, revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. General capital assets acquisitions are reported as expenditures in the governmental funds. Proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures relating to compensated absences, debt service expenditures, and claims and judgments are recognized only when payment is due.

- Budgets are adopted at the function level in the General Fund and total General Fund expenditures disbursed may not legally exceed the budgeted amount. Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year.
- The Village procedures in establishing the budgetary data reflected in the General Fund Financial Statements are presented below:
- Prior to July 15th the Village Board receives a proposed operating budget (appropriation ordinance) for the fiscal year commencing on preceding May 1st. The operating budget includes proposed expenditures and the means of financing them.
- A public hearing is conducted at a public meeting to obtain taxpayers comments.
- The budget is legally enacted through passage of an ordinance prior to July 31st.
- The Village Treasurer, in consultation with the Board, is authorized to expense the unexpensed balance of any item or items of any general appropriation in making up any deficiency in any item or items of the same general appropriation.
- The original budget was not amended during the fiscal year.
- Formal budgetary integration is not employed as a management control device during the year for any fund.
- Budgetary comparisons presented in the accompanying financial statements are prepared on the modified accrual basis of accounting. All funds utilize the same basis of accounting for both budgetary purposes and actual results.
- Expenditures cannot legally exceed appropriations at the fund level.
- All appropriations lapse at year-end.

Notes to Required Supplementary Information Year Ended April 30, 2015

Police Pension

Required Supplementary Information Schedule of Funding Progress and Employer Contributions

Actuarial	Actuarial	Actuarial Accrued Liability	Unfunded			UAAL as a Percentage
Valuation	Value of	(AAL)	AAL	Funded	Covered	of Covered
Date	Assets	-Entry Age	(UAAL)	Ratio	Payroll	Payroll
30-Apr	(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
2006	2,093,182	3,262,650	1,169,468	64.16%	587,587	199.03%
2007	2,267,695	3,459,830	1,192,135	65.54%	660,345	180.53%
2008	2,409,546	3,743,851	1,334,305	64.36%	706,145	188.96%
2009	2,512,076	4,128,056	1,615,980	60.85%	848,771	190.39%
2010	2,752,919	4,897,317	2,144,398	56.21%	819,969	261.52%
2011	2,930,615	4,117,592	1,186,977	71.17%	785,779	151.06%
2012	3,062,611	5,443,371	2,380,760	56.26%	785,570	303.06%
2013	3,183,428	5,599,018	2,415,590	56.86%	817,255	295.57%

Fiscal			Percentage
Year	Annual Pension	Em ployer	of APC
Ending	Cost (APC)	Contributions	Contributed
2007	146,232	86,953	59.46%
2008	160,659	93,083	57.94%
2009	182,550	104,662	57.33%
2010	224,120	128,689	57.42%
2011	247,721	136,692	55.18%
2012	199,551	178,005	89.20%
2013	237,381	216,619	91.25%
2014	247,120	229,487	92.86%

Notes to Required Supplementary Information Year Ended April 30, 2015

Illinois Municipal Retirement Fund (IMRF)

Required Supplementary Information Schedule of Funding Progress and Employer Contributions

Actuarial	Actuarial	Actuarial Accrued Liability	Unfunded			UAAL as a Percentage
Valuation	Value of	(AAL)	AAL	Funded	Covered	of Covered
Date	Assets	-Entry Age	(UAAL)	Ratio	Payroll	Payroll
Dec. 31	(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
2006	2,147,230	2,935,829	788,599	73.14%	1,180,974	66.78%
2007	2,451,740	3,375,425	923,685	72.64%	1,201,406	76.88%
2008	2,421,599	3,682,164	1,260,565	65.77%	1,325,685	95.09%
2009	2,689,465	3,864,450	1,174,985	69.60%	1,313,933	89.43%
2010	2,990,371	4,254,463	1,264,092	70.29%	1,306,148	96.78%
2011	3,293,118	4,593,869	1,300,751	71.69%	1,263,394	102.96%
2012	3,369,868	4,469,134	1,099,266	75.40%	1,243,724	88.39%
2013	3,150,190	4,115,080	964,890	76.55%	1,166,539	82.71%
2014	2,506,948	3,565,697	1,058,749	70.31%	1,005,641	105.28%

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$3,691,391. On a market basis, the funded ratio would be 89.70%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Village of Island Lake. The actuarial accrued liability for retirees is 100% funded.

Calendar		Percentage	
Year	Annual Pension	of APC	Net Pension
Ending	Cost (APC)	Contributed	Obligation
2007	144,787	100%	\$0
2008	147,412	100%	\$0
2009	162,396	100%	\$0
2010	168,052	100%	\$0
2011	167,526	100%	\$0
2012	166,783	100%	\$0
2013	163,854	100%	\$0
2014	132,141	100%	\$0

Notes to Required Supplementary Information Year Ended April 30, 2015

Sheriffs Law Enforcement Personnel Plan (SLEP)

Required Supplementary Information Schedule of Funding Progress and Employer Contributions

Actuarial	Actuarial	Actuarial Accrued Liability	Unfunded			UAAL as a Percentage
Valuation	Value of	(AAL)	AAL	Funded	Covered	of Covered
Date	Assets	-Entry Age	(UAAL)	Ratio	Payroll	Payrol1
Dec. 31	(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
2007	27,588	9,032	(18,556)	305.45%	86,219	-21.52%
2008	22,752	(20,145)	(42,897)	-112.94%	43,953	-97.60%
2009	40,229	(3,607)	(43,836)	-1115.30%	86,219	-50.84%
2010	56,835	2,078	(54,757)	2735.08%	85,584	-63.98%
2011	71,937	29,036	(42,901)	247.75%	85,738	-50.04%
2012	90,583	47,112	(43,471)	192.27%	85,738	-50.70%
2013	112,486	44,582	(67,904)	252.31%	87,483	-77.62%
2014	135,007	67,868	(67,139)	198.93%	83,751	-80.17%

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$124,433. On a market basis, the funded ratio would be 279.11%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with the Village of Island Lake. The actuarial accrued liability for retiress is 100% funded.

Calendar		Percentage	
Year	Annual Pension	of APC	Net Pension
Ending	Cost (APC)	Contributed	Obligation
2008	9,676	100%	\$0
2009	5,991	100%	\$0
2010	11,424	100%	\$0
2011	10,692	100%	\$0
2012	8,402	100%	\$0
2013	10,148	100%	\$0
2014	9,581	100%	\$0

		Approp	riation	18		Aodified
		Original	71141101	Final	-	Basis
Administrative		211811111				2 4010
Administrative salaries	\$	140,000	\$	140,000	\$	133,444
Elected officials		44,000		44,000		35,096
Overtime		1,400		1,400		813
Planning commission		900		900		439
Liquor commission		300		300		_
Sick-time buy back		15,000		15,000		4,808
Part-time salaries		57,000		57,000		76,030
Total administrative salaries		258,600		258,600		250,630
Contractual service						
Health and life insurance		38,000		38,000		42,027
Maintenance - equipment		3,700		3,700		5,629
Maintenance - vehicles		, -		, -		837
Engineering services		4,000		4,000		20,351
Legal services		210,000		210,000		131,344
Data processing		110,000		110,000		16,145
Other professional services		16,000		16,000		16,184
Postage		7,000		7,000		8,875
Telephone		8,000		8,000		6,346
Publishing		1,200		1,200		810
Dues and subscriptions		10,000		10,000		3,441
Travel and meetings		1,000		1,000		4,408
Training		700		700		46
General insurance		700		700		645
Rentals		700		700		225
Forms and printing		25,000		25,000		7,253
Bank charges		500		500		376
Total contractual services		436,500		436,500		264,942
Commodities						
Office Supplies		3,000		3,000		5,062
Gasoline and oil		2,200		2,200		1,056
Operating supplies		1,600		1,600		2,903
Vehicle maintenance supplies	_	200	_	200	_	945
Total commodities		7,000		7,000		9,966

	Appropria	ations	Modified Accrual
	Original	Final	Basis
Other expenditures			
Community relations	45,000	45,000	32,676
Fireworks	25,000	25,000	-
Economic development	11,000	11,000	2,065
Miscellaneous expenses	3,000	3,000	1,224
Total other expenditures	84,000	84,000	35,965
Capital outlay			
Equipment	5,000	5,000	51,484
Total capital outlay	5,000	5,000	51,484
Total administrative expenditures	791,100	791,100	612,987
Building and grounds Personnel		_	
Salaries - personnel	10,000	10,000	6,072
Total personnel	10,000	10,000	6,072
Contractual services			
Maintenance - building	75,000	75,000	24,493
Maintenance - equipment	30,000	30,000	9,219
Maintenance - grounds	90,000	90,000	28,422
Janitorial service	22,000	22,000	16,845
Sewer fees	1,000	1,000	921
Rentals	11,000	11,000	3,555
Total contractual services	229,000	229,000	83,455
Commodities			
Operating supplies	200	200	125
Building maintenance supplies	25,000	25,000	8,900
Miscellaneous other expenditures	1,500	1,500	4,839
Total commodities	26,700	26,700	13,864
Total building and grounds	265,700	265,700	103,391

	Appropri	ations	Modified Accrual
	Original	Final	Basis
Public safety			
Personnel services			
Fire and police commission salaries	3,500	3,500	120
Total personnel services	3,500	3,500	120
Contractual services			
Other professional services	19,000	19,000	19,142
Miscellaneous	400	400	2,138
Training	6,000	6,000	, -
Dues	500	500	375
Total contractual services	25,900	25,900	21,655
Total fire and police commission	29,400	29,400	21,775
Emergency management			
Maintenance - equipment	2,800	2,800	4,225
Small tools and miscellaneous expenditures	700	700	-
Miscellaneous Expense	700	700	37
Total emergency management	4,200	4,200	4,262
Total general expenditures	1,090,400	1,090,400	742,415
Lake Management Committee			
Personnel Services	5,000	5,000	2,490
Contractual services			
Other professional services	14,000	14,000	6,964
Lake and weed maintenance	15,000	15,000	11,509
Total contractual services	29,000	29,000	18,473
Commodities			
Operating supplies	400	400	792
Signs and poles	1,000	1,000	345
Total commodities	1,400	1,400	1,137
Capital outlay			
Improvements	25,000	25,000	14,815
Total capital outlay	25,000	25,000	14,815
Total Lake Management Committee	60,400	60,400	36,915

	Appropria	Modified Accrual	
	Original	Final	Basis
Tort immunity (liability) fund			
Unemployment insurance	50,000	50,000	511
Liability insurance	230,000	230,000	170,564
Total tort immunity (liability) fund	280,000	280,000	171,075
Audit fund			
Accounting services	21,000	21,000	15,810
Police protection			
Personnel services			
Employee salaries	1,345,000	1,345,000	1,004,351
Dispatcher salaries	40,000	40,000	19,860
Overtime	195,000	195,000	172,239
Sick-time, vacation buy back	10,000	10,000	4,865
Part-time salary	225,000	225,000	191,061
FTO and OIC pay	18,000	18,000	13,514
Uniforms	18,000	18,000	20,457
Health and life insurance	175,000	175,000	79,986
Total personnel services	2,026,000	2,026,000	1,506,333
Contractual services			
Maintenance - equipment	10,000	10,000	2,704
Maintenance - vehicles	30,000	30,000	22,717
Legal services	75,000	75,000	76,393
Employer contributions	245,124	245,124	244,810
Telephone	4,900	4,900	4,423
Medical services	1,400	1,400	1,048
Other communications	500	500	540
Dues and subscriptions	10,000	10,000	5,440
Training	18,000	18,000	12,024
Data processing services	5,000	5,000	3,212
Other professional services	176,000	176,000	139,886
Animal control	-	-	65
Postage	1,400	1,400	1,500
Rentals	2,200	2,200	
Forms and printing	2,200	2,200	1,020
Travel expenses	1,400	1,400	894
Total contractual services	583,124	583,124	516,676
Commodities			
Miscellaneous expense	700	700	258
Vehicle maintenance supplies	6,000	6,000	2,103
Gasoline and oil	74,000	74,000	55,535
Office supplies	4,500	4,500	3,559
Operating supplies	14,000	14,000	7,419
Total commodities	99,200	99,200	68,874

	Appropria	ations	Modified Accrual
Police protection - concluded	Original	Final	Basis
Capital outlay			
Equipment	68,000	68,000	89,182
Vehicles	60,000	60,000	31,529
Total capital outlay	128,000	128,000	120,711
Total police protection	2,836,324	2,836,324	2,212,594
Street and bridge fund			
Personnel services			
Employee salaries	600,000	600,000	361,826
Overtime	70,000	70,000	27,067
Uniforms	-	-	6,377
Sick-time buy back	4,200	4,200	1,350
Part-time salary	38,000	38,000	22,933
Health and life insurance	150,000	150,000	91,696
Total personnel services	862,200	862,200	511,249
Contractual services			
Maintenance - equipment	19,000	19,000	13,669
Maintenance - streets	-	-	27
Maintenance - vehicles	13,000	13,000	3,278
Telephone	8,000	8,000	4,749
Publishing	-	-	16
Other communications	2,500	2,500	1,980
Storm water tracking	-	-	1,000
Other professional services	-	-	572
Dues and subscriptions	1,000	1,000	340
Training	2,200	2,200	790
Utilities	1,000	1,000	599
Rental	4,000	4,000	3,849
Tree removal	10,000	10,000	6,584
Total contractual services	60,700	60,700	37,453

	Approp	riations	Modified Accrual
Street and bridge fund - concluded	Original	Final	Basis
Commodities			
Office supplies	1,700	1,700	1,509
Gasoline and oil	35,000	35,000	23,652
Operating supplies	8,000	8,000	3,898
Small tools	2,000	2,000	480
Signs and poles	3,500	3,500	1,120
Uniforms	7,700	7,700	-
Vehicle maintenance supplies	20,000	20,000	16,135
Street maintenance supplies	57,000	57,000	19,480
NPDES permitting	1,400	1,400	,
Total commodities	136,300	136,300	66,274
Capital outlay			
Equipment	18,000	18,000	51,940
Vehicles	34,000	34,000	51,193
Total capital outlay	52,000	52,000	103,133
Total street and bridge fund	1,111,200	1,111,200	718,109
Social security fund			
Social security and Medicare tax	210,000	210,000	164,471
IMRF fund			
IMRF contributions	145,000	145,000	92,896
Total General Fund	\$ 5,754,324	\$ 5,754,324	\$ 4,154,285



Property Tax Extension Rates Year Ended April 30, 2015

Tax Levy Year	2014	2013	2012
Assessed Valuation			
Lake County	\$ 63,792,436	\$ 69,040,909	\$ 75,365,531
McHenry County	72,938,878	74,800,349	82,705,895
Totals	\$ 136,731,314	\$ 143,841,258	\$ 158,071,426

Tax Rates and Percentages -- Allocated by Fund

Lake County	Rate	Percentage	Rate	Percentage	Rate	Percentage
General	0.269605	30.82%	0.251000	30.72%	0.229000	31.16%
Social Security	0.106696	12.20%	0.099000	12.12%	0.104000	14.15%
Police Protection	0.082708	9.45%	0.078000	9.55%	0.066000	8.98%
Audit	0.012747	1.46%	0.013000	1.59%	0.012000	1.63%
Tort Immunity	0.143217	16.37%	0.134000	16.40%	0.109000	14.83%
IMRF	0.058719	6.71%	0.055000	6.73%	0.056000	7.62%
Street & Bridge	0.019950	2.28%	0.018000	2.20%	0.014000	1.90%
Police Pension	0.181169	20.71%	0.169000	20.69%	0.145000	19.73%
Totals	0.874811	100.00%	0.817000	100.00%	0.735000	100.00%
Special Service Area #1	0.048259		0.425000		0.391000	
McHenry County						
General	0.275358	40.59%	0.255142	31.54%	0.230908	31.87%
Social Security	0.108973	10.83%	0.100806	12.46%	0.104383	14.41%
Police Protection	0.084472	8.40%	0.078316	9.68%	0.066426	9.17%
Audit	0.013018	1.29%	0.012008	1.48%	0.011387	1.57%
Tort Immunity	0.146272	14.54%	0.135566	16.75%	0.109001	15.04%
IMRF	0.059972	5.96%	0.055617	6.87%	0.056936	7.86%
Street & Bridge	-	0.00%	-	0.00%	-	0.00%
Police Pension	0.185034	18.39%	0.171717	21.22%	0.145504	20.08%
Totals	0.873099	100.00%	0.809172	100.00%	0.724545	100.00%
Special Service Area #1	0.477810		0.420090		0.386222	

Property Tax Extensions Year Ended April 30, 2015

							Pı	roperty Tax F	lates ((per \$100 of as	ssesse	d valuation)				
	Levy Year			2014						2013					2012	
	County	Lake]	McHenry		Total		Lake	1	McHenry		Total	Lake	1	McHenry	Total
	Assessed Valuation	\$ 63,792,436	\$	72,938,878	\$ 1	36,731,314	\$	69,040,909	\$	74,800,349	\$ 1	43,841,258	\$ 75,365,531	\$	82,705,895	\$ 158,071,426
	Fund Extension															
	General	\$ 171,988	\$	200,843	\$	372,831	\$	173,293	\$	190,847	\$	364,140	\$ 172,587	\$	190,975	\$ 363,562
	Garbage	68,064		79,484		147,548		-		-		-	-		-	-
	Social Security	52,761		61,613		114,374		68,351		75,403		143,754	78,380		86,331	164,711
	Police Protection	8,132		9,495		17,627		53,852		58,581		112,433	49,741		54,938	104,679
	Audit	91,362		106,689		198,051		8,975		8,982		17,957	9,044		9,418	18,462
	Tort Immunity	37,458		43,743		81,201		92,515		101,404		193,919	82,148		90,150	172,298
	IMRF	12,726		· -		12,726		37,973		41,602		79,575	42,205		47,089	89,294
	Street & Bridge	115,572		134,962		250,534		12,427		-		12,427	10,551		-	10,551
	Police Pension	-		-		-		116,679		128,445		245,124	109,280		120,340	229,620
`	Total Funds	\$ 558,063	\$	636,829	\$	1,194,892	\$	564,065	\$	605,264	\$	1,169,329	\$ 553,936	\$	599,241	\$ 1,153,177
A	Assessed Valuation	\$ 25,406,277	\$	11,951,659	\$	37,357,936	\$	29,237,513	\$	12,491,678	\$	41,729,191	\$ 31,738,042	\$	14,038,754	\$ 45,776,796
S	Special Service Area #1	\$ 122,608	\$	57,106	\$	179,714	\$	124,259	\$	52,476	\$	176,735	\$ 124,096	\$	54,221	\$ 178,317

Garbage Fund - Statement of Revenue, Expenditures and Changes in Fund Balance and Comparison of Appropriations with Actual Year Ended April 30, 2015

				Accrual
		Original	Final	 Basis
Revenue	·			 _
Charges for Services Miscellaneous and other Income	\$	577,808	\$ 577,808	\$ 557,775 54,995
Total revenue		577,808	 577,808	 612,770
2000 20 10200		277,000	 277,000	 012,770
Expenditures				
Personnel services				
Salaries		100,000	 100,000	 78,631
Contractual services				
Health insurance		4,000	4,000	13,691
Data processing		-	-	468
Postage		-	-	3,043
Garbage disposal		550,000	550,000	525,447
Forms and printing			 	 3,251
Total contractual services		554,000	 554,000	545,900
Other expenditures				
Miscellaneous expenditures		14,000	 14,000	 9,314
Total other		14,000	 14,000	 9,314
Total expenditures		668,000	 668,000	 633,845
Excess (deficiency) of revenue over				
expenditures and other uses	\$	(90,192)	\$ (90,192)	(21,075)
Fund Balance				
Balance, beginning of year				 396,182
Total Fund Balance, end of year				\$ 375,107

Recreation Fund - Statement of Revenue, Expenditures and Changes in Fund Balance and Comparison of Appropriations with Actual Year Ended April 30, 2015

		Approp	riation	18	Modified Accrual
	0	riginal		Final	Basis
Revenue					
Classes	\$	25,000	\$	25,000	\$ 20,335
Craft Faire		3,200		3,200	3,768
Creative playtime		65,000		65,000	59,782
Summer camp		20,500		20,500	14,216
Club fees		72,000		72,000	98,351
Grants and donations		2,330		2,330	1,100
Miscellaneous and other income		3,975		3,975	5,982
Total revenue		192,005		192,005	 203,534
Expenditures					
Personnel services					
General administrative salaries		23,000		23,000	16,660
Instructor salaries		7,000		7,000	5,515
Creative playtime salaries		62,000		62,000	1,325
Club salaries		70,000		70,000	54,128
IMRF		4,000		4,000	529
Social security tax		11,700		11,700	40,840
Medicare tax		2,000		2,000	3,292
Total personnel services		179,700		179,700	 122,289
Contractual services					
Telephone		1,500		1,500	2,417
Maintenance - equipment		5,400		5,400	716
Maintenance - vehicles		600		600	684
Field trips		6,500		6,500	-
Training		1,000		1,000	58
Publishing		1,200		1,200	522
Forms and printing		900		900	 107
Total contractual services		17,100		17,100	 4,504

Recreation Fund - Statement of Revenue, Expenditures and Changes in Fund Balance and Comparison of Appropriations with Actual Year Ended April 30, 2015

	riations	Modified Accrual	
	Original	Basis	
Commodities			
Recreation supplies	-	-	1,884
Office supplies	550	550	712
Fund raising specials	800	800	7,552
Operating supplies	12,700	12,700	9,620
Craft Faire	-	-	87
Gas & Oil	4,200	4,200	718
Miscellaneous expenditures	250	250	22,763
Total commodities	18,500	18,500	43,336
Other expenditures			
Equipment	5,600	5,600	
Total other	5,600	5,600	
Total expenditures	220,900	220,900	170,129
Excess (deficiency) of revenue over			
expenditures and other uses	\$ (28,895)	\$ (28,895)	33,405
Fund Balance			
Balance, beginning of year			71,141
Total Fund Balance, end of year			\$ 104,546

Motor Fuel Tax Fund - Statement of Revenue, Expenditures and Changes in Fund Balance and Comparison of Appropriations with Actual Year Ended April 30, 2015

	Appropriations				Modified Accrual	
	Ori	ginal		Final	Basis	
Revenue						
Allotments	\$	195,600	\$	195,600	\$	264,933
Grants		92,369		92,369		-
Interest income		600		600		869
Total Revenue		288,569		288,569		265,802
Expenditures						
Maintenance streets		140,000		140,000		135,994
Street lighting		120,000		120,000		61,132
Bank charges		-		-		124
Materials and supplies		70,000		70,000		34,750
Total Expenditures		330,000		330,000		232,000
Excess (Deficiency) of Revenue Over						
Expenditures and Other Uses	\$	(41,431)	\$	(41,431)		33,802
Fund Balance						
Balance, beginning of year						239,931
Total Fund Balance, end of year					\$	273,733

Debt Service Fund - Statement of Revenue, Expenditures and Changes in Fund Balance and Comparison of Appropriations with Actual Year Ended April 30, 2015

	Appropriations				Modified Accrual	
	Original Final		Basis			
Revenue						
Property taxes	\$	93,342	\$	93,342	\$	176,296
Bond Proceeds		-		-		620,000
Interest income				-		373
Total Revenue		93,342		93,342		796,669
	'	_				
Expenditures						
Agent Fees		500		500		-
Principal payments		225,000		225,000		830,000
Interest expense		30,000		30,000		25,319
Total Expenditures		255,500		255,500		855,319
Operational transfers in/(out)		-		-		(109,686)
Excess (Deficiency) of Revenue Over						
Expenditures and Other Uses	\$	(162,158)	\$	(162,158)		(168,336)
Fund Balance						
Balance, beginning of year						168,394
Total Fund Balance					\$	58

Waterworks Operating Fund - Schedule of Operating Expenses and Comparison of Estimated Appropriations with Actual Year Ended April 30, 2015

	Appropriations				Accrual	
	Original		Final		Basis	
Personnel services	¢	250,000	ď	250,000	¢	250.546
Salaries	\$	350,000	\$	350,000	\$	350,546
Overtime		35,000		35,000		25,405
Part-time salaries		45,000		45,000		19,789
Health and life insurance		95,000		95,000		88,449
Social security		28,000		28,000		21,023
Medicare		6,000		6,000		4,917
IMRF		59,000		59,000		44,899
Total personnel services		618,000		618,000		555,028
Contractual services						
Maintenance - building		11,000		11,000		-
Maintenance - equipment		85,000		85,000		21,850
Maintenance - water distribution system		60,000		60,000		22,800
Maintenance - vehicles		5,600		5,600		5,967
Accounting services		4,500		4,500		· -
Engineering services		150,000		150,000		54,822
Legal services		3,000		3,000		-
Construction (contracted)		650,000		650,000		-
Data processing		6,000		6,000		-
Other professional services		20,000		20,000		9,166
Postage		7,000		7,000		4,193
Telephone		4,000		4,000		795
Publishing		600		600		3,093
Other communications		-		-		-
Dues and subscriptions		4,000		4,000		2,706
Training		2,000		2,000		1,419
Utilities		140,000		140,000		92,194
Liability insurance		70,000		70,000		19,273
Rentals		1,000		1,000		-
Forms and printing		3,000		3,000		2,915
Bank charges		500		500		200
Total contractual services		1,227,200		1,227,200		241,393

Waterworks Operating Fund - Schedule of Operating Expenses and Comparison of Estimated Appropriations with Actual Year Ended April 30, 2015

	Appropriations				Accrual	
	Original		Final		Basis	
Commodities						
Office supplies	\$	1,600	\$	1,600	\$	1,258
Gasoline and oil	,	15,000	,	15,000	,	5,978
Operating supplies		9,000		9,000		3,708
Small tools and minor equipment		3,000		3,000		230
Chemicals		120,000		120,000		68,964
Uniforms		5,400		5,400		, -
Miscellaneous		400		400		58
Vehicle maintenance supplies		5,000		5,000		710
Building and grounds maintenance supplies		3,200		3,200		1,323
Water distribution supplies		32,000		32,000		17,140
Water meters		45,000		45,000		30,504
Total commodities		239,600		239,600		129,873
Capital outlay						
Equipment		30,000		30,000		44,978
Vehicles		14,000		14,000		,
Total capital outlay		44,000		44,000		44,978
Debt service						
Principal payments		190,000		190,000		-
Interest expense		80,000		80,000		13,057
Total debt service		270,000		270,000		13,057
Total Waterworks Operating Fund	\$	2,398,800	\$	2,398,800	\$	984,329