

**ALGONQUIN TOWNSHIP
McHENRY COUNTY, ILLINOIS**

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED MARCH 31, 2017

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“Our 54th Year”

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Algonquin Township, McHenry County, Illinois as of and for the year ended March 31, 2017, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require the audit to be planned and performed to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Algonquin Township as of March 31, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Algonquin Township's financial statements as a whole. The schedules of expenditures compared to budget are presented for purposes of additional analysis and are not a required part of the financial statements. The schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Brown & Co.

Brown & Co., LLP, CPA's
Woodstock, Illinois
November 6, 2017

MANAGEMENT'S DISCUSSION
AND ANALYSIS

ALGONQUIN TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2017

Within this section, Algonquin Township's (the "Township") management is providing a narrative discussion and analysis of the financial activities of the Township for the fiscal year ended March 31, 2017, based on currently known facts, decisions, and conditions. This narrative discusses and analyzes the activity within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the Township's primary government and should be read in conjunction with the Independent Auditor's Report on pages 1 and 2 and the Township's financial statements. The financial statements include government-wide financial statements, fund financial statements, and notes to the financial statements.

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

ALGONQUIN TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2017

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Other supplementary information includes detail by fund for revenues, expenditures, other financing sources and uses, fund transfers and budgetary comparison schedules along with GASB 68 pension plan information.

Financial Analysis of the Township as a Whole

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

As of the end of the current fiscal year, the Township's combined governmental net position of \$14,387,648 increased by \$945,291 over last year. Of the total amount, \$1,728,437 or 12.01% constitutes unrestricted net position available for spending at the Township's discretion to meet the government's ongoing obligations to citizens and creditors. Net position restricted for specific purposes or by enabling legislation constitutes \$3,085,774 or 21.45% of the total amount and the net amount restricted for pensions is \$176,826. The remaining \$9,396,610 or 65.31% of net position is invested in capital assets and is also restricted as to its use.

ALGONQUIN TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS

MARCH 31, 2017

Financial Analysis of the Township as a Whole (Continued)

The following table presents a condensed summary of the Township's net position as of March 31, 2017 and 2016:

	Net Position	
	Governmental Activities	
	<u>2017</u>	<u>2016</u>
Current and Other Assets	\$ 9,702,118	\$ 9,835,393
Capital Assets (Net of Depreciation)	<u>9,396,610</u>	<u>9,145,959</u>
Total Assets	<u>\$ 19,098,728</u>	<u>\$ 18,981,352</u>
Deferred Outflows of Resources	<u>\$ 35,840</u>	<u>\$ 29,536</u>
Current Liabilities	\$ 250,342	\$ 224,374
Long-Term Liabilities	<u>73,465</u>	<u>637,591</u>
Total Liabilities	<u>\$ 323,807</u>	<u>\$ 861,965</u>
Deferred Inflows of Resources	<u>\$ 4,423,114</u>	<u>\$ 4,706,566</u>
Net Position:		
Invested in Capital Assets		
(Net of Depreciation and Related Debt)	\$ 9,396,610	\$ 8,475,356
Restricted	3,085,774	3,162,743
Restricted for Pensions	176,826	90,531
Unrestricted	<u>1,728,437</u>	<u>1,713,728</u>
Total Net Position	<u>\$ 14,387,648</u>	<u>\$ 13,442,357</u>

The following are significant current year transactions having a significant impact on the Statement of Net Position: Capital asset acquisitions of \$1,149,550, and decrease in debt of \$625,863.

ALGONQUIN TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS

MARCH 31, 2017

Financial Analysis of the Township as a Whole (Continued)

The following table presents a condensed summary of the Township's changes in net position for the years ended March 31, 2017 and 2016:

	Changes in Net Position Governmental Activities	
	<u>2017</u>	<u>2016</u>
Revenues:		
Program Revenues -		
Bus, Recycling and Building Revenues	\$ 83,783	\$ 61,736
Court Fines	9,143	5,228
Intergovernmental Agreements	23,390	-
General Revenues -		
Property Taxes	4,698,098	4,697,232
State Replacement Taxes	126,725	99,198
Motor Fuel Taxes	74,005	74,832
Interest Income	25,910	14,042
Other General Revenues	<u>52,852</u>	<u>46,240</u>
Total Revenues	<u>\$ 5,093,906</u>	<u>\$ 4,998,508</u>
Expenses:		
General Government	\$ 1,879,770	\$ 2,560,732
Road and Bridge	2,135,253	1,961,412
Community Services and Support	167,512	162,775
Cemetery	5,300	5,300
Interest on Long-Term Debt	<u>19,060</u>	<u>32,050</u>
Total Expenses	<u>\$ 4,206,895</u>	<u>\$ 4,722,269</u>
Excess (Deficiency) of Revenues over Expenditures	\$ 887,011	\$ 276,239
Other Financing Sources:		
Gain (Loss) on Disposal of Assets	<u>58,280</u>	<u>(10,991)</u>
Change in Net Position	<u>\$ 945,291</u>	<u>\$ 265,248</u>
Net Position - Beginning of Year, as Previously Stated	\$ 13,442,357	\$ 12,372,901
Prior Period Adjustments	<u>-</u>	<u>804,208</u>
Net Position - Beginning of Year, as Restated	<u>\$ 13,442,357</u>	<u>\$ 13,177,109</u>
Net Position - End of Year	<u>\$ 14,387,648</u>	<u>\$ 13,442,357</u>

ALGONQUIN TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2017

Financial Analysis of the Township as a Whole (Continued)

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

Financial Analysis of the Township Funds

The Township reports the following major governmental funds:

The **Town Fund** is the general operating fund of the Township and is used to account for all financial resources except those required, legally or by sound financial management, to be accounted for in another fund. The balance of the Town Fund at March 31, 2017 was \$1,719,253, increasing \$33,042 (1.55%) over last year. Significant transactions were property tax receipts, salary payments to Township officials and debt elimination payments.

The **Road & Bridge Fund** accounts for financial resources used to maintain and preserve the Township's roads and is restricted in its use by enabling legislation. It also includes the amounts levied and expended for social security taxes, retirement contributions, liability insurance premiums and audit fees. The balance of the Road and Bridge Fund at March 31, 2017 was \$1,461,788, increasing \$258,519, or 21.90% over last year. Significant transactions were property tax receipts, contractual payments for road maintenance and purchases of fuel and lubricants.

The **Equipment & Building Fund** is used to account for the accumulation of resources to use in the acquisition or construction of major capital purchases and facilities and is restricted in its use by enabling legislation. The balance of the Building and Equipment Fund at March 31, 2017 was \$1,559,839, decreasing \$188,134, or 10.52% from last year. Significant transactions were property tax revenues, capital outlay for building improvements and the acquisition of new equipment, and debt elimination payments.

The Township reports the following non-major governmental fund:

The **General Assistance Fund** accounts for financial resources used to provide financial relief to disadvantaged individuals in the Township and is restricted in its use by enabling legislation. The balance of the General Assistance Fund at March 31, 2017 was \$323,623, decreasing \$40,897 (11.22%) from last year. Significant transactions were property tax revenues and assistance payments.

Capital Assets

Algonquin Township's investment in capital assets for its governmental activities as of March 31, 2017, amounts to \$9,396,610 (net of accumulated depreciation). Investment in capital assets includes road and bridge infrastructure, land, buildings and improvements, vehicles and equipment. The net increase in Algonquin Township's investment in capital assets for the current fiscal year was \$250,651, or 2.74%. The Township added capital assets of \$1,149,550 and disposed of capital assets with a cost basis of \$690,931 and accumulated depreciation of \$483,414.

ALGONQUIN TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2017

Capital Assets (Continued)

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

<u>Date</u>	<u>Description</u>	<u>Cost</u>
5/25/16	Vactor Sewer Cleaner Pump	\$ 11,632
6/30/16	2016 - 2017 Road Projects	372,020
7/5/16	2017 Freightliner Plow Truck	227,195
7/5/16	2017 Freightliner Plow Truck	244,041
7/13/16	2017 Kubota UV (421 Plow)	18,218
7/15/16	2017 Fusion (Assessor)	23,528
7/15/16	2017 Fusion (Assessor)	20,528
8/10/16	Detention Pond Pump	17,158
9/14/16	Talbert Trailer	43,200
9/14/16	Plow Upgrades	19,132
3/17/17	Lighting Upgrade - all Buildings	43,991
	Total Capital Asset Acquisitions	<u>\$ 1,040,643</u>
	Adjusted Basis of Equipment Traded In	<u>\$ 108,907</u>
	Capital Asset Acquisitions per Depreciation Schedule	<u>\$ 1,149,550</u>

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

Following below is a summary of the Township's capital assets (net of depreciation) as of March 31, 2017 and 2016:

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Land	\$ 1,430,175	\$ 1,430,175
Road and Bridge Infrastructure	2,496,229	2,172,189
Buildings and Improvements	2,501,467	2,521,486
Trucks, Tractors, and Trailers	1,076,811	826,293
Road Equipment	1,726,525	2,047,965
Vehicles	41,147	7,538
Office Furniture and Equipment	<u>124,256</u>	<u>140,313</u>
Total	<u>\$ 9,396,610</u>	<u>\$ 9,145,959</u>

For more detailed information regarding the Township's capital assets, please refer to Note 1 in the Notes to Financial Statements on pages 23-24.

ALGONQUIN TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2017

Debt

As of March 31, 2016 the Township had \$670,603 in long-term debt outstanding which consisted entirely of general obligation bonds. The Township eliminated the entire balance during the fiscal year, decreasing total debt by \$670,603. Following below is a summary of the Township's long-term debt as of March 31, 2017 and 2016:

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
General Obligation Bonds	\$ -	\$ 670,603
Total	<u>\$ -</u>	<u>\$ 670,603</u>

For more detailed information regarding the Township's long-term debt, please refer to Note 5 in the Notes to Financial Statements on pages 30-31.

Economic Factors

Normal inflation will impact next year's budget. Due to the changing housing market, assessed valuations have been declining since the 2009 tax year, with the first increase in the 2015 real estate tax year of 2.79% and an increase of 6.07% in the 2016 real estate tax year. In order to continue to provide the resources needed for annual budgets, taxing bodies have had to increase their tax rates. Algonquin Township is below the statutory maximum tax rates for all funds.

Fund Restrictions

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

ALGONQUIN TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2017

Budget Variations

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

<u>Fund</u>	<u>Item</u>	<u>Budget</u>	<u>Actual</u>
Town Explanation	Property Tax Revenue Property Tax Revenue more than anticipated	\$ 1,576,000	\$ 1,675,511
Town Explanation	Retirement Contribution Retirement Contribution less than anticipated	\$ 45,000	\$ 25,051
Town Explanation	Capital Outlay Capital Outlay less than anticipated	\$ 31,600	\$ 4,906
Town Explanation	Assessor Salaries Assessor Salaries less than anticipated	\$ 342,000	\$ 320,791
General Assistance Explanation	General Assistance Home Relief General Assistance Home Relief less than anticipated	\$ 234,600	\$ 115,028
Road & Bridge Explanation	State Replacement Tax Revenue State Replacement Tax Revenue more than anticipated	\$ 65,000	\$ 93,638
Road & Bridge Explanation	Motor Fuel Taxes Motor Fuel Tax revenue not budgeted	\$ -	\$ 74,005
Road & Bridge Explanation	Sale of Capital Asset Income Sale of Capital Assets not budgeted	\$ -	\$ 150,000
Road & Bridge Explanation	Other Revenues Other Revenues more than anticipated	\$ 20,000	\$ 47,208
Road & Bridge Explanation	Retirement Contribution Retirement Contribution less than anticipated	\$ 100,100	\$ 54,373
Road & Bridge Explanation	Liability Insurance Liability Insurance premiums less than anticipated	\$ 90,100	\$ 56,298

ALGONQUIN TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2017

Budget Variations (continued)

<u>Fund</u>	<u>Item</u>	<u>Budget</u>	<u>Actual</u>
Road & Bridge Explanation	Salaries - Maintenance Employee not replaced; less overtime for snow plowing	\$ 750,000	\$ 655,784
Road & Bridge Explanation	Maintenance - Roads Major road project paid by Building and Equipment Fund	\$ 500,000	\$ 642,633
Road & Bridge Explanation	Fuel and Lubricants Decrease in price of fuel	\$ 120,000	\$ 55,885
Road & Bridge Explanation	Supplies - Equipment Equipment Supplies less than anticipated	\$ 100,000	\$ 79,168
Road & Bridge Explanation	Supplies - Road Not as much salt required	\$ 115,000	\$ 77,421
Building & Equipment Explanation	Capital Outlay - Building Upgrades Building Upgrades less than anticipated	\$ 644,000	\$ 122,369
Building & Equipment Explanation	Capital Outlay - Equipment, Vehicles and Machinery Equipment, Vehicles and Machinery purchases less than anticipated	\$ 800,000	\$ 578,599
Building & Equipment Explanation	Debt Service Interest Payments Debt Service Interest Payments less than required	\$ 35,000	\$ 12,654

Requests for Information

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

GOVERNMENT – WIDE
FINANCIAL STATEMENTS

ALGONQUIN TOWNSHIP
STATEMENT OF NET POSITION
MARCH 31, 2017

Governmental Activities

Assets and Deferred Outflows

Assets:

Cash and Cash Equivalents - Unrestricted	\$ 1,193,917
Cash and Cash Equivalents - Restricted	1,875,204
Investments - Unrestricted	479,073
Investments - Restricted	1,324,723
Net Pension Asset - Restricted	140,986
Property Taxes Receivable	4,423,114
Other Receivables	27,351
Prepaid Insurance	14,217
Prepaid Software Subscription	20,731
Inventory - Road Salt	202,802
Capital Assets (Net of Depreciation)	<u>9,396,610</u>
Total Assets	<u>\$19,098,728</u>

Deferred Outflows of Resources:

Deferred Pension Contributions	<u>\$ 35,840</u>
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Total Assets and Deferred Outflows **\$19,134,568**

ALGONQUIN TOWNSHIP
STATEMENT OF NET POSITION (CONTINUED)
MARCH 31, 2017

Governmental Activities

Liabilities, Deferred Inflows and Net Position

Liabilities:

Accounts Payable	\$ 170,552
Refundable Culvert Bonds	9,000
Accrued Payroll and Taxes	70,790
Long-Term Liabilities - Due in More Than One Year	<u>73,465</u>
Total Liabilities	<u>\$ 323,807</u>

Deferred Inflows of Resources:

Deferred Revenues - Taxes	<u>\$ 4,423,114</u>
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Net Position:

Invested in Capital Assets (Net of Depreciation and Related Debt)	\$ 9,396,610
Restricted	3,085,774
Restricted for Pensions	176,826
Unrestricted	<u>1,728,437</u>
Total Net Position	<u>\$14,387,648</u>

Total Liabilities, Deferred Inflows and Net Position	<u>\$19,134,568</u>
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ALGONQUIN TOWNSHIP
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2017

<u>Functions/Programs</u>	<u>Total Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services and Fines</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:					
General Government	\$1,879,770	\$ 11,905	\$ -	\$ -	\$ (1,867,865)
Roads and Bridges	2,135,253	70,025	-	-	(2,065,228)
Cemetery	5,300	-	-	-	(5,300)
Community Services and Support	167,512	34,386	-	-	(133,126)
Interest on Long-Term Debt	19,060	-	-	-	(19,060)
Total Governmental Activities	<u>\$4,206,895</u>	<u>\$ 116,316</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,090,579)</u>
General Revenues:					
					\$ 4,698,098
					126,725
					74,005
					25,910
					<u>52,852</u>
					Total General Revenues
					<u>\$ 4,977,590</u>
Other Financing Sources (Uses):					
					\$ 58,280
					<u>945,291</u>
					Change in Net Position
					<u>\$ 13,442,357</u>
					Net Position - Beginning of Year
					<u>\$ 14,387,648</u>
					Net Position - End of Year

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

FUND FINANCIAL STATEMENTS

ALGONQUIN TOWNSHIP
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2017

	<u>Town Fund</u>	<u>Road and Bridge Fund</u>	<u>Equipment and Building Fund</u>	<u>Other Funds</u>	<u>Total Funds</u>
<u>Assets and Deferred Outflows</u>					
Assets:					
Cash and Cash Equivalents - Unrestricted	\$ 1,193,917	\$ -	\$ -	\$ -	\$ 1,193,917
Cash and Cash Equivalents - Restricted	-	757,427	794,924	322,853	1,875,204
Investments - Unrestricted	479,073	-	-	-	479,073
Investments - Restricted	-	541,545	783,179	-	1,324,723
Net Pension Asset - Restricted	64,684	76,302	-	-	140,986
Property Taxes Receivable	1,580,014	1,676,765	1,106,323	60,012	4,423,114
Other Receivables	4,286	22,295	-	770	27,351
Prepaid Insurance	4,834	9,383	-	-	14,217
Prepaid Software Subscription	20,731	-	-	-	20,731
Inventory - Road Salt	-	202,802	-	-	202,802
Total Assets	<u>\$ 3,347,539</u>	<u>\$ 3,286,519</u>	<u>\$ 2,684,426</u>	<u>\$ 383,635</u>	<u>\$ 9,702,118</u>
Deferred Outflows of Resources:					
Deferred Pension Contributions	<u>\$ 18,255</u>	<u>\$ 17,585</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,840</u>
Total Assets and Deferred Outflows	<u>\$ 3,365,794</u>	<u>\$ 3,304,104</u>	<u>\$ 2,684,426</u>	<u>\$ 383,635</u>	<u>\$ 9,737,958</u>

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

ALGONQUIN TOWNSHIP
BALANCE SHEET (CONTINUED)
GOVERNMENTAL FUNDS
MARCH 31, 2017

	<u>Town Fund</u>	<u>Road and Bridge Fund</u>	<u>Equipment and Building Fund</u>	<u>Other Funds</u>	<u>Total Funds</u>
<u>Liabilities, Deferred Inflows and Fund Balances</u>					
Liabilities:					
Accounts Payable	\$ 25,923	\$ 126,365	\$ 18,264	\$ -	\$ 170,552
Refundable Culvert Bonds	-	9,000	-	-	9,000
Accrued Payroll and Taxes	<u>40,604</u>	<u>30,186</u>	<u>-</u>	<u>-</u>	<u>70,790</u>
Total Liabilities	<u>\$ 66,527</u>	<u>\$ 165,551</u>	<u>\$ 18,264</u>	<u>\$ -</u>	<u>\$ 250,342</u>
Deferred Inflows of Resources:					
Deferred Revenues - Taxes	<u>\$ 1,580,014</u>	<u>\$ 1,676,765</u>	<u>\$ 1,106,323</u>	<u>\$ 60,012</u>	<u>\$ 4,423,114</u>
Fund Balances:					
Nonspendable: Prepaid Expenses and Inventory	\$ 25,565	\$ 212,185	\$ -	\$ -	\$ 237,750
Restricted Funds	-	1,155,716	1,559,839	323,623	3,039,177
Restricted for Pensions	82,939	93,887	-	-	176,826
Unassigned Funds	<u>1,610,749</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,610,749</u>
Total Fund Balances	<u>\$ 1,719,253</u>	<u>\$ 1,461,788</u>	<u>\$ 1,559,839</u>	<u>\$ 323,623</u>	<u>\$ 5,064,503</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 3,365,794</u>	<u>\$ 3,304,104</u>	<u>\$ 2,684,426</u>	<u>\$ 383,635</u>	<u>\$ 9,737,958</u>

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

ALGONQUIN TOWNSHIP
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
MARCH 31, 2017

Total Fund Balances - Governmental Funds (page 16)	\$ 5,064,503
Amounts reported for governmental activities in the government-wide Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statements (page 8)	9,396,610
Some liabilities do not represent uses of current financial resources and are therefore not reported as liabilities in the fund financial statements:	
Compensated Absences (Note 5 on page 30)	<u>(73,465)</u>
Total Net Position - Governmental Activities (page 14)	<u>\$ 14,387,648</u>

ALGONQUIN TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2017

	Town Fund	Road and Bridge Fund	Equipment and Building Fund	Other Funds	Total Funds
Revenues:					
Property Taxes	\$ 1,675,511	\$ 1,673,955	\$ 1,227,003	\$ 121,629	\$ 4,698,098
State Replacement Taxes	19,928	93,638	10,741	2,418	126,725
Motor Fuel Taxes	-	74,005	-	-	74,005
Intergovernmental Agreements	-	23,390	-	-	23,390
Bus, Recycling and Building Revenue	11,905	71,878	-	-	83,783
Court Fines	-	9,143	-	-	9,143
Interest Income	8,219	7,432	8,295	1,964	25,910
Other General Revenues	4,874	47,208	-	770	52,852
Total Revenues	<u>\$ 1,720,437</u>	<u>\$ 2,000,649</u>	<u>\$ 1,246,039</u>	<u>\$ 126,781</u>	<u>\$ 5,093,906</u>
Expenditures:					
Current:					
General Government	\$ 1,246,129	\$ 498,156	\$ 13,230	\$ 52,650	\$ 1,810,165
Road and Bridge	-	1,761,440	-	-	1,761,440
Community Services and Support	42,037	-	-	115,028	157,065
Cemetery	5,300	-	-	-	5,300
Capital Outlay	52,864	4,554	700,968	-	758,386
Debt Service:					
Principal	335,302	-	335,301	-	670,603
Interest	12,653	-	12,654	-	25,307
Total Expenditures	<u>\$ 1,694,285</u>	<u>\$ 2,264,150</u>	<u>\$ 1,062,153</u>	<u>\$ 167,678</u>	<u>\$ 5,188,266</u>
Excess Revenues or (Expenditure:	\$ 26,152	\$ (263,501)	\$ 183,886	\$ (40,897)	\$ (94,360)
Other Financing Sources:					
Sale of Capital Assets	\$ 6,890	\$ 150,000	\$ -	\$ -	\$ 156,890
Transfers from (to) Other Funds	-	372,020	(372,020)	-	-
Net Change in Fund Balances	\$ 33,042	\$ 258,519	\$ (188,134)	\$ (40,897)	\$ 62,530
Fund Balance - Beginning of Year	<u>\$ 1,686,211</u>	<u>\$ 1,203,269</u>	<u>\$ 1,747,973</u>	<u>\$ 364,520</u>	<u>\$ 5,001,973</u>
Fund Balances - End of Year	<u>\$ 1,719,253</u>	<u>\$ 1,461,788</u>	<u>\$ 1,559,839</u>	<u>\$ 323,623</u>	<u>\$ 5,064,503</u>

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

ALGONQUIN TOWNSHIP
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2017

Net change in fund balances of governmental funds (page 18) \$ 62,530

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

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

Capital Asset Acquisitions	\$ 1,149,550	
Capital Asset Trade-ins	(108,907)	
Depreciation	<u>(691,382)</u>	349,261

Accrued Interest does not affect current financial resources and therefore is not reported in the fund financial statements. 6,247

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

Gain on Sale of Capital Assets	\$ 58,280	
Proceeds from Sale of Capital Assets	<u>(156,890)</u>	(98,610)

Changes to the accrued liability for compensated absences do not affect current financial resources and therefore are not reported in the fund financial statements. (44,740)

Debt principal payments are reported in the fund financial statements as expenditures. However, they are not reported in the government-wide Statement of Activities. In the government-wide Statement of Net Position they are reported as a reduction of long-term liabilities. 670,603

Change in net position of governmental funds (page 14) \$ 945,291

NOTES TO FINANCIAL STATEMENTS

ALGONQUIN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Algonquin Township was established in 1850. The Township consists of approximately 47.9 square miles with the City of Crystal Lake as its center point. The Township services a population of approximately 87,959 citizens. The Township is subject to local ordinances and the State of Illinois Statutes. The Board of Trustees, Supervisor, Clerk, Highway Commissioner, and Assessor are elected to their positions by the general election process in McHenry County.

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

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

Basis of Presentation

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

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

ALGONQUIN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

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

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

Governmental Funds

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

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

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

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

The Township reports the following non-major governmental fund:

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

ALGONQUIN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

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

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

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

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

Measurement Focus

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

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

ALGONQUIN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid Expenses

Certain payments to vendors for goods, services and insurance are recorded as prepaid expenses in both the Statement of Net Position and the Balance Sheet as they reflect costs applicable to future periods. As of March 31, 2017, the Township's prepaid expenses of \$34,948 consisted of prepaid liability insurance in the amount of \$14,217 and a prepaid software subscription of \$20,731.

Inventory

Algonquin Township Road District maintains an inventory of road salt. The inventory is valued at cost and was \$202,802 at March 31, 2017.

Capital Assets

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

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

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

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

Road and bridge infrastructure assets include assets acquired subsequent to March 31, 2007.

ALGONQUIN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (continued)

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Non-Depreciable Capital Assets -				
Land	\$ 1,430,175	\$ -	\$ -	\$ 1,430,175
Total Non-Depreciable Capital Assets	<u>\$ 1,430,175</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,430,175</u>
Depreciable Capital Assets -				
Road and Bridge Infrastructure	\$ 2,399,018	\$ 372,020	\$ -	\$ 2,771,038
Buildings and Improvements	3,578,560	61,149	-	3,639,709
Trucks	3,245,872	471,236	(353,475)	3,363,633
Road Equipment	3,993,423	201,089	(309,189)	3,885,323
Vehicles	116,452	44,056	(28,267)	132,241
Office Furniture and Equipment	589,997	-	-	589,997
Total Depreciable Capital Assets	<u>\$ 13,923,322</u>	<u>\$ 1,149,550</u>	<u>\$ (690,931)</u>	<u>\$ 14,381,941</u>
Accumulated Depreciation -				
Road and Bridge Infrastructure	\$ 226,829	\$ 47,980	\$ -	\$ 274,809
Buildings and Improvements	1,057,074	81,168	-	1,138,242
Trucks	2,419,579	220,718	(353,475)	2,286,822
Road Equipment	1,945,458	315,012	(101,672)	2,158,798
Vehicles	108,914	10,447	(28,267)	91,094
Office Furniture and Equipment	449,684	16,057	-	465,741
Total Accumulated Depreciation	<u>\$ 6,207,538</u>	<u>\$ 691,382</u>	<u>\$ (483,414)</u>	<u>\$ 6,415,506</u>
Depreciable Capital Assets (Net)	<u>\$ 7,715,784</u>	<u>\$ 458,168</u>	<u>\$ (207,517)</u>	<u>\$ 7,966,435</u>
Total Capital Assets (Net)	<u>\$ 9,145,959</u>	<u>\$ 458,168</u>	<u>\$ (207,517)</u>	<u>\$ 9,396,610</u>

Depreciation expense was charged to the following categories for the years ended March 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Governmental Activities:		
General Government	\$ 16,057	\$ 17,128
Community Services and Support	10,447	6,960
Roads and Bridges	664,878	588,706
Total	<u>\$ 691,382</u>	<u>\$ 612,794</u>

ALGONQUIN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

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

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

Nonspendable – This category represents funds not in spendable form. As of March 31, 2017 \$237,750 was designated as nonspendable funds classified as prepaid expenses and inventory.

Restricted – This category represents funds limited in use due to constraints on purpose by enabling legislation. Restricted fund balances at March 31, 2017 totaled \$3,039,177 and were comprised of the following:

<u>Fund</u>	<u>Balance</u>
Road and Bridge	\$ 353,628
Social Security	210,582
Retirement	374,495
Insurance	121,275
Audit	<u>95,736</u>
Road and Bridge subtotal (page 16)	\$ 1,155,716
Equipment & Building	1,559,839
General Assistance	<u>323,623</u>
Total Restricted Funds (page 16)	<u>\$ 3,039,177</u>

Committed – This category represents funds limited in use due to constraints on purpose and circumstances of spending imposed by the Board. Such commitment is made via formal action by the Board and must be made prior to the end of the year. A commitment can only be modified or removed by the same formal action. There was no committed fund balance at March 31, 2017.

Assigned – This category represents intentions of the Board to use the funds for specific purposes. The Board has delegated the authority to assign amounts to be used for specific purposes to the Township Supervisor or his/her designee. There was no assigned fund balance at March 31, 2017.

Unassigned – This category includes the residual classification for the Township's General Fund and includes all spendable amounts not contained in other classifications. The unassigned fund balance was \$1,610,749 at March 31, 2017.

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

ALGONQUIN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

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

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

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

Restricted for Pensions - This component of net position consists of constraints placed on net asset use in conformity with GASB 68.

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

Use of Estimates

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

NOTE 2 – DEPOSITS AND INVESTMENTS

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

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

ALGONQUIN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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

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

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

Custodial Credit Risk – For deposits, this is the risk that, in the event of a bank failure, the Township would not be able to recover its deposits. The Township's deposits with banks are subject to this risk to the extent they are not fully insured or collateralized. The Township's investment policy minimizes this risk by requiring all deposits above the Federal Deposit Insurance Corporation (FDIC) limit of \$250,000 to be collateralized by the pledging of additional securities by a third party institution in the Township's name. Following below is a summary of the Township's funds by collateralization category as of March 31, 2017:

	<u>Book Balance</u>	<u>Bank Balance</u>
Category One - Deposits covered by federal depository insurance	\$ 1,923,877	\$ 1,923,877
Category Two - Deposits covered by collateral held by the pledging financial institution's trust department in the Township's name	2,949,041	2,989,650
Category Three - Deposits which are uninsured and uncollateralized	-	-
Total	<u>\$ 4,872,918</u>	<u>\$ 4,913,527</u>

ALGONQUIN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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

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

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

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

Following below is a brief description of the Township's deposit and investment balances as of March 31, 2017:

Cash and Cash Equivalents

The Township's deposits include cash and cash equivalents which are considered to be cash on hand, demand deposits and short term investments with original maturities of three months or less from the date of acquisition. The Township maintains four interest bearing checking accounts, one savings account and four money market accounts with Fifth Third Bank, Home State Bank, Huntington Bank and Crystal Lake Bank and Trust. Motor Fuel Tax funds are held by McHenry County on behalf of all townships. At year end, the carrying (book) amount of the Township's deposits was \$3,069,121 and the bank balance was \$3,109,731, the difference being due to deposits in transit and outstanding checks. All accounts are fully collateralized. Since the State of Illinois remits motor fuel tax revenue to McHenry County on behalf of all local governmental entities, the Township has funds available there in the amount of \$134,697 to draw upon for road projects.

Investments

The Township's investments consist of eleven certificates of deposit (CD's) with FirstMerit Bank, BMO Harris Bank and Huntington Bank. At year end, the carrying amount and bank balance of these CD's was \$1,803,797. All investments are reported at fair market value at March 31, 2017 and all accounts are fully collateralized.

ALGONQUIN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017

NOTE 3 – PROPERTY TAX REVENUE AND RECEIVABLE

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

The Township's property tax levy is based on a combined budget and appropriations ordinance. Property taxes are recorded as revenue in the period covered by the appropriations they are intended to finance. Property tax receivables are created from the 2016 tax levy which is payable in June and September, 2017. Collections on the levy for the 2016 tax year have been deferred until the subsequent fiscal year.

A summary of the levies, assessed valuation, rates and amounts raised for the tax years 2016, 2015, and 2014 is as follows:

Tax Year	<u>2016</u>			<u>2015</u>			<u>2014</u>		
Assessed Valuation	<u>\$2,312,533,487</u>			<u>\$2,180,264,415</u>			<u>\$2,121,075,671</u>		
Fund	Levy	Rates	Amount Raised	Levy	Rates	Amount Raised	Levy	Rates	Amount Raised
Corporate	\$ 1,580,000	.0686	\$ 1,580,014	\$ 1,678,548	.0772	\$ 1,678,567	\$ 1,578,536	.0746	\$ 1,578,539
Public Assistance	60,000	.0026	60,011	121,832	.0056	121,850	221,832	.0105	221,841
Road and Bridge	2,576,085	.1119	2,576,100	2,576,085	.1185	2,576,091	2,576,076	.1217	2,576,080
Equipment & Building	1,106,308	.0480	1,106,323	1,229,232	.0565	1,229,240	1,229,181	.0580	1,229,183
Retirement	126,890	.0055	126,909	126,890	.0058	126,894	126,890	.0060	126,902
Audit	10,170	.0004	10,178	10,170	.0005	10,176	10,170	.0005	10,182
Liability Insurance	35,545	.0016	35,556	35,545	.0016	35,551	35,545	.0017	35,562
Social Security	71,068	.0031	71,088	71,068	.0033	71,079	71,068	.0033	71,082
Transfers To Other Municipalities	-	-	(1,143,097)	-	-	(1,142,882)	-	-	(1,143,341)
Totals	<u>\$ 5,566,066</u>	<u>.2417</u>	<u>\$ 4,423,082</u>	<u>\$ 5,849,370</u>	<u>.2690</u>	<u>\$ 4,706,566</u>	<u>\$ 5,849,298</u>	<u>.2763</u>	<u>\$ 4,706,030</u>

ALGONQUIN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017

NOTE 3 – PROPERTY TAX REVENUE AND RECEIVABLE (CONTINUED)

Revenues and the related expenditures of special restricted tax levies are accounted for in the Road and Bridge Fund. Portions of the Road and Bridge Fund's equity represent the excess of cumulative revenues over cumulative expenditures which are restricted for specific future expenditures. There is no equity reserve balance for the special tax levies when the cumulative expenditures exceed the cumulative revenues. A summary of the special restricted levy balances at March 31, 2017 is as follows:

<u>Special Levies</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Social Security	\$ 196,288	\$ 70,951	\$ (56,657)	\$ 210,582
Retirement	302,208	126,660	(54,373)	374,495
Insurance	142,088	35,485	(56,298)	121,275
Audit	<u>87,676</u>	<u>10,157</u>	<u>(2,097)</u>	<u>95,736</u>
Total	<u>\$ 728,260</u>	<u>\$ 243,253</u>	<u>\$ (169,425)</u>	<u>\$ 802,088</u>

NOTE 4 – OTHER REVENUE RECEIVABLE

Other revenue receivable as of March 31, 2017 was \$27,531 and consisted of personal property replacement taxes and fees charged to external parties for goods or services during the 2016-2017 fiscal year, but for which payment was not received until the following fiscal year. There is no doubt as to the collectability of these amounts.

NOTE 5 – LONG-TERM LIABILITIES

The Township issued \$1,175,000 of debt certificates on August 31, 2004 to finance the purchase of real estate and capital improvements. The debt certificates provided for serial retirement of principal on January 15 and July 15 of each year beginning January 15, 2006. Interest was at a rate of 4.50% and was payable on January 15 and July 15 of each year. The balance due on the debt certificates was completely eliminated during the fiscal year.

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Principal Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Long-Term Debt -					
2004 Real Estate Bonds	\$ 670,603	\$ -	\$ (670,603)	\$ -	\$ -
Total Long-Term Debt	<u>\$ 670,603</u>	<u>\$ -</u>	<u>\$ (670,603)</u>	<u>\$ -</u>	<u>\$ -</u>
Other Long-Term Liabilities -					
Compensated Absences	\$ 28,725	\$ 47,382	\$ (2,642)	\$ 73,465	\$ -
Total Long-Term Liabilities	<u>\$ 699,328</u>	<u>\$ 47,382</u>	<u>\$ (673,245)</u>	<u>\$ 73,465</u>	<u>\$ -</u>

ALGONQUIN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

Principal and interest payments on long-term debt were made through the Town Fund and the Building and Equipment Fund. Interest paid during the fiscal year amounted to \$25,307, accrued interest paid was \$6,247, resulting in net interest paid of \$19,060. The Township is not obligated in any manner for special assessment debt.

Compensated absences typically have been liquidated in the Town Fund and Road and Bridge Fund. Employees in the Assessor and Supervisor's offices are eligible to accumulate earned but unused vacation pay benefits. Their vacation pay is accrued when earned. As of March 31, 2017, \$26,083 has been accrued for earned but unused vacation pay, and \$47,382 was accrued for the Road Commissioner's unused sick days. The sick days were paid in April, 2017.

NOTE 6 – LEGAL DEBT LIMIT

As defined by the Illinois Municipal Code, "no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.625% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness". This limit for the Township, as of March 31, 2017, is \$199,456,013.

NOTE 7 – RISK MANAGEMENT

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

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

ALGONQUIN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017

NOTE 8 – EMPLOYEE PENSION PLAN

IMRF Plan Description

The Township's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Township's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section below. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

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

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

- 3% of the original pension amount, or
- ½ of the increase in the Consumer Price Index of the original pension amount.

ALGONQUIN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017

NOTE 8 – EMPLOYEE PENSION PLAN (CONTINUED)

Employees Covered by Benefit Terms

As of December 31, 2016, the following employees were covered by the benefit terms:

<u>Class</u>	<u>IMRF</u>
Retirees and Beneficiaries currently receiving benefits	17
Inactive Plan Members entitled to but not yet receiving benefits	3
Active Plan Members	22
Total	<u><u>42</u></u>

Contributions

As set by statute, the Township’s Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Township’s annual contribution rate for calendar year 2016 was 7.9%. For the fiscal year ended March 31, 2017, the Township contributed \$106,983 to the plan. The Township also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The Township’s net pension liability was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2016:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.75%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study of the period 2011 to 2013.

ALGONQUIN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017

NOTE 8 – EMPLOYEE PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued)

- For non-disabled retirees, an IMRF-specific **Mortality** table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38%	6.85%
International Equity	17%	6.75%
Fixed Income	27%	3.00%
Real Estate	8%	5.75%
Alternative Investments	9%	2.65-7.35%
Cash Equivalents	1%	2.25%
Total	100%	

ALGONQUIN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017

NOTE 8 – EMPLOYEE PENSION PLAN (CONTINUED)

Single Discount Rate

A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.78%, and the resulting single discount rate is 7.50%.

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2015	\$ 8,134,733	\$ 8,195,728	\$ (60,995)
Changes for the year:			
Service Cost	150,203	-	150,203
Interest on the Total Pension Liability	608,355	-	608,355
Changes of Benefit Terms	-	-	-
Differences between Expected and Actual Experience of the Total Pension Liability	(68,204)	-	(68,204)
Contributions - Employer	-	113,859	(113,859)
Contributions - Employees	-	64,857	(64,857)
Net Investment Income	-	567,691	(567,691)
Benefit Payments, including Refunds of Employee Contributions	(196,871)	(196,871)	-
Other (Net Transfer)	-	23,938	(23,938)
Net Changes	<u>\$ 493,483</u>	<u>\$ 573,474</u>	<u>\$ (79,991)</u>
Balances at December 31, 2016	<u>\$ 8,628,216</u>	<u>\$ 8,769,202</u>	<u>\$ (140,986)</u>

ALGONQUIN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017

NOTE 8 – EMPLOYEE PENSION PLAN (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.5% as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease 6.50%	Current Single Discount Rate Assumption 7.50%	1% Increase 8.50%
Total Pension Liability	\$ 9,690,915	\$ 8,628,216	\$ 7,787,423
Plan Fiduciary Net Position	<u>8,769,202</u>	<u>8,769,202</u>	<u>8,769,202</u>
Net Pension Liability (Asset)	<u>\$ 921,713</u>	<u>\$ (140,986)</u>	<u>\$ (981,779)</u>

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

For the year ended March 31, 2017, the Township recognized an original pension expense of \$106,583, with a GASB 68 adjustment of \$(79,991) due to the increases in the net pension asset of \$79,991 and deferred outflows of resources of \$6,304, resulting in a net pension expense of \$20,288.

ALGONQUIN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017

NOTE 8 – EMPLOYEE PENSION PLAN (CONTINUED)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (Continued)

At March 31, 2017, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES RELATED TO PENSIONS

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Outflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods			
Differences between Expected and Actual Experience	\$ -	\$ 270,617	\$ (270,617)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	<u>387,356</u>	<u>-</u>	<u>387,356</u>
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	<u>\$ 387,356</u>	<u>\$ 270,617</u>	<u>\$ 116,739</u>
Pension Contributions made subsequent to the Measurement Date	<u>\$ 35,840</u>	<u>\$ -</u>	<u>\$ 35,840</u>
Total Deferred Amounts Related to Pensions	<u>\$ 423,196</u>	<u>\$ 270,617</u>	<u>\$ 152,579</u>

ALGONQUIN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017

NOTE 8 – EMPLOYEE PENSION PLAN (CONTINUED)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (Continued)

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

Year Ending December 31,	Net Deferred Outflows of Resources
2017	\$ 44,263
2018	44,263
2019	44,265
2020	(15,788)
2018	(264)
Thereafter	-
Total	\$ 116,739

NOTE 9 – INTERFUND TRANSFERS

The township does not have any routine interfund transfers. During the fiscal year ended March 31, 2017, Road and Bridge expenses totaling \$372,020 were paid with Equipment and Building Funds and are shown as interfund transfers on the fund financial statements.

NOTE 10 – CONTINGENCIES AND COMMITMENTS

Tax objectors filed a complaint alleging the Township and Road District have unnecessarily accumulated funds. The Plaintiffs seek to void the levy and a rebate of funds which have been accumulated. The Township and Road District are aggressively defending the case and believe it will be dismissed, therefore no contingency amount has been recorded.

In May, 2017, the newly elected Highway Commissioner dismissed three road district employees who had recently joined a labor union. In September, an Administrative Law Judge ordered the department to rehire the employees and repay them for all financial losses including wages and benefits with compounded interest of 7%. The Highway Department has filed a counter-claim against the union seeking a declaration that the Collective Bargaining Agreement entered into is null and void.

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

NOTE 11 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 6, 2017, the date the financial statements were available to be issued. No significant subsequent events have been identified.

REQUIRED SUPPLEMENTARY INFORMATION

ALGONQUIN TOWNSHIP
BUDGETARY COMPARISON SCHEDULE - TOWN FUND
FOR THE YEAR ENDED MARCH 31, 2017

	<u>Budget</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive
				(Negative)
Revenues:				
Property Taxes	\$ 1,576,000	\$ 1,576,000	\$ 1,675,511	\$ 99,511
State Replacement Taxes	14,000	14,000	19,928	5,928
Interest Income	3,500	3,500	8,219	4,719
Building Use, Beverages, and Snacks	1,000	1,000	505	(495)
Rental Income	11,000	11,000	11,400	400
Sale of Capital Assets	-	-	6,890	6,890
Other Revenues	5,000	5,000	4,874	(126)
Total Revenues	<u>\$ 1,610,500</u>	<u>\$ 1,610,500</u>	<u>\$ 1,727,327</u>	<u>\$ 116,827</u>
Expenditures:				
Administration -				
Personnel - Salaries	\$ 377,400	\$ 377,400	\$ 362,316	\$ 15,084
Social Security and Medicare	33,500	33,500	27,213	6,287
Employee Health Insurance	50,000	50,000	50,131	(131)
Retirement Contribution	45,000	45,000	25,051	19,949
GASB 68 Pension Expense	-	-	(22,388)	22,388
Unemployment Insurance	2,000	2,000	562	1,438
Contractual Services -				
Maintenance - Buildings and Property	65,000	65,000	32,996	32,004
Maintenance - Equipment	15,000	15,000	8,147	6,853
Accounting Services	10,000	10,000	4,145	5,855
Audit Services	7,000	7,000	1,048	5,952
Legal Services	25,000	15,000	11,514	3,486
Consulting Services	4,000	3,500	-	3,500
Postage	2,500	2,500	512	1,988
Telecommunications	7,000	7,500	7,886	(386)
Printing and Publishing	20,000	5,000	193	4,807
Dues and Subscriptions	5,000	5,000	2,330	2,670
Travel, Training, and Meetings	6,000	6,000	1,860	4,140
Utilities	8,000	8,000	5,988	2,012
Liability Insurance	40,000	35,000	29,002	5,998
Cleaning Services	8,000	8,000	7,542	458
Lease	3,000	3,000	2,618	382
Engineering and Planning	50,000	3,000	-	3,000

See Independent Auditor's Report

ALGONQUIN TOWNSHIP
BUDGETARY COMPARISON SCHEDULE - TOWN FUND (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2017

	<u>Budget</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive
				(Negative)
Expenditures (Continued):				
Contractual Services (continued) -				
Technical Support	\$ 7,000	\$ 7,000	\$ 1,798	\$ 5,202
Computer Maintenance	7,000	7,000	1,971	5,029
Commodities -				
Office Supplies	3,000	2,000	838	1,162
Computer Supplies	2,000	1,000	190	810
Computer Software	2,000	1,000	-	1,000
Publications	500	500	-	500
Maintenance Supplies	8,000	6,000	2,848	3,152
Building Supplies	5,000	5,000	2,900	2,100
Other Expenses -				
Miscellaneous Expense	10,000	7,000	8,786	(1,786)
Cemetery Expense	300	5,300	5,300	-
Inter-Governmental Agreements	2,500	2,500	2,157	343
Community Services / Support	5,000	5,000	3,074	1,926
Environmental Services	30,000	40,000	39,652	348
Service Charges	7,500	7,500	4,608	2,892
Senior Transportation Services	30,000	37,000	29,153	7,847
Senior Activities	10,000	10,000	4,510	5,490
Employee Services	3,500	3,500	2,187	1,313
Enforcement Expense	1,000	-	-	-
Unforeseen Hardship	1,000	1,000	-	1,000
Debt Service - Principal	33,000	336,000	335,302	698
Interest	16,000	16,000	12,653	3,347
Capital Outlay -				
Building	48,500	6,500	-	6,500
Equipment	25,000	10,000	2,213	7,787
Computer Equipment	10,000	5,000	2,693	2,307
Capital Improvements	150,000	10,000	-	10,000
Senior Bus	100	100	-	100
Contingency Expense	20,000	8,000	-	8,000
Total Administration	<u>\$ 1,221,300</u>	<u>\$ 1,246,300</u>	<u>\$ 1,021,499</u>	<u>\$ 224,801</u>

See Independent Auditor's Report

ALGONQUIN TOWNSHIP
BUDGETARY COMPARISON SCHEDULE - TOWN FUND (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2017

	<u>Budget</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Expenditures (Continued):				
Assessor -				
Personnel -				
Salaries	\$ 350,000	\$ 342,000	\$ 320,791	\$ 21,209
Social Security and Medicare	30,000	30,000	25,040	4,960
Employee Health Insurance	150,000	150,000	140,139	9,861
Retirement Contribution	40,000	40,000	24,559	15,441
GASB 68 Pension Expense	-	-	(19,884)	19,884
Unemployment Insurance	50	50	-	50
Contractual Services -				
Maintenance - Equipment	4,000	4,000	2,206	1,794
Legal Services	20,000	20,000	15,604	4,396
Postage	2,000	2,000	370	1,630
Telecommunications	10,000	10,000	10,208	(208)
Printing and Publishing	500	500	-	500
Dues and Subscriptions	3,000	3,000	1,750	1,250
Travel, Training, and Meetings	10,000	10,000	7,367	2,633
Independent Appraisals	16,000	16,000	11,705	4,295
Equipment Rentals	100	100	-	100
Technical Support	62,000	70,000	69,615	385
Commodities -				
Office Supplies	2,000	2,000	825	1,175
Computer Supplies	1,000	1,000	10	990
Computer Software	25,000	25,000	9,339	15,661
Miscellaneous Expense	1,000	1,000	399	601
Capital Outlay -				
Office Equipment	45,000	45,000	44,607	393
Computer Equipment	20,000	20,000	3,351	16,649
Total Assessor	<u>\$ 791,650</u>	<u>\$ 791,650</u>	<u>\$ 668,001</u>	<u>\$ 123,649</u>

See Independent Auditor's Report

ALGONQUIN TOWNSHIP
BUDGETARY COMPARISON SCHEDULE - TOWN FUND (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2017

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Expenditures (Continued):				
Clerk -				
Contractual Services -				
Legal Services	\$ 2,500	\$ 2,500	\$ 2,483	\$ 17
Postage	100	100	136	(36)
Printing and Publishing	1,000	1,000	339	661
Dues and Subscriptions	100	100	-	100
Travel, Training, and Meetings	2,500	2,500	200	2,300
Election Expense	5,000	5,000	1,606	3,394
Commodities -				
Office Supplies	150	150	-	150
Miscellaneous Expense	200	200	21	179
Total Clerk	<u>\$ 11,550</u>	<u>\$ 11,550</u>	<u>\$ 4,785</u>	<u>\$ 6,765</u>
Rental Property -				
Contractual Services -				
Maintenance - Buildings and Property	\$ 10,000	\$ 2,000	\$ -	\$ 2,000
Maintenance - Equipment	10,000	3,000	-	3,000
Utilities	1,500	1,500	-	1,500
Capital Outlay -				
Building	10,000	5,000	-	5,000
Equipment	5,000	5,000	-	5,000
Total Rental Property	<u>\$ 36,500</u>	<u>\$ 16,500</u>	<u>\$ -</u>	<u>\$ 16,500</u>
Total Expenditures	<u>\$ 2,061,000</u>	<u>\$ 2,066,000</u>	<u>\$ 1,694,285</u>	<u>\$ 371,715</u>
Excess Revenues or (Expenditures)	<u>\$ (450,500)</u>	<u>\$ (455,500)</u>	<u>\$ 33,042</u>	<u>\$ 488,542</u>
Fund Balance - Beginning of Year			<u>1,686,211</u>	
Fund Balance - End of Year			<u>\$ 1,719,253</u>	

See Independent Auditor's Report

ALGONQUIN TOWNSHIP
BUDGETARY COMPARISON SCHEDULE - ROAD AND BRIDGE FUND
FOR THE YEAR ENDED MARCH 31, 2017

	<u>Budget</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive
				(Negative)
Revenues:				
Property Taxes	\$ 1,665,000	\$ 1,665,000	\$ 1,673,955	\$ 8,955
State Replacement Taxes	65,000	65,000	93,638	28,638
Motor Fuel Taxes	-	-	74,005	74,005
Intergovernmental Agreements	-	-	23,390	23,390
Bus Revenue	30,000	30,000	34,386	4,386
Recycling Revenue	12,000	12,000	37,492	25,492
Court Fines	4,000	4,000	9,143	5,143
Sale of Capital Assets	-	-	150,000	150,000
Interest Income	3,000	3,000	7,432	4,432
Other Revenues	20,000	20,000	47,208	27,208
Total Revenues	<u>\$ 1,799,000</u>	<u>\$ 1,799,000</u>	<u>\$ 2,150,649</u>	<u>\$ 351,649</u>
Expenditures:				
General Administration -				
Personnel - Salaries - Administration	\$ 80,000	\$ 80,000	\$ 83,659	\$ (3,659)
Social Security and Medicare	70,100	70,100	56,657	13,443
Employee Health Insurance	165,000	165,000	180,469	(15,469)
Retirement Contribution	100,100	100,100	54,373	45,727
GASB 68 Pension Expense	-	-	(44,023)	44,023
Unemployment Insurance	2,500	2,500	784	1,716
Contractual Services -				
Maintenance - Building	2,500	2,500	-	2,500
Maintenance - Equipment	2,500	2,500	-	2,500
Accounting Services	1,000	1,000	-	1,000
Audit Services	10,000	10,000	2,097	7,903
Legal Services	28,000	28,000	21,424	6,576
Postage	1,500	1,500	1,076	424
Telecommunications	27,500	27,500	22,758	4,742
Printing and Publishing	4,000	4,000	537	3,463
Dues and Subscriptions	6,000	6,000	3,478	2,522
Travel and Meetings	7,500	7,500	3,886	3,614
Education and Training	8,500	8,500	1,522	6,978
Liability Insurance	90,100	90,100	56,298	33,802
Technical Support Services	21,000	21,000	8,525	12,475

See Independent Auditor's Report

ALGONQUIN TOWNSHIP

BUDGETARY COMPARISON SCHEDULE - ROAD AND BRIDGE FUND (CONTINUED)

FOR THE YEAR ENDED MARCH 31, 2017

	<u>Budget</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Expenditures (Continued):				
Commodities -				
Office Supplies	\$ 5,000	\$ 5,000	\$ 2,282	\$ 2,718
Computer Supplies	5,000	5,000	1,868	3,132
Other Expenses -				
Construction Bonds	100	100	-	100
Miscellaneous	8,500	8,500	2,987	5,513
Inter-Governmental Agreements	45,000	45,000	34,824	10,176
Property Loan	100	100	-	100
Service Charges	3,000	3,000	2,675	325
Capital Outlay -				
Equipment	<u>5,000</u>	<u>5,000</u>	<u>4,554</u>	<u>446</u>
Total General Administration	<u>\$ 699,500</u>	<u>\$ 699,500</u>	<u>\$ 502,710</u>	<u>\$ 196,790</u>
Maintenance -				
Personnel - Salaries - Maintenance	\$ 750,000	\$ 750,000	\$ 655,784	\$ 94,216
Contractual Services -				
Maintenance - Buildings	35,000	35,000	19,214	15,786
Maintenance - Equipment	50,000	50,000	45,953	4,047
Maintenance - Roads	500,000	500,000	642,633	(142,633)
Maintenance - Bridges	100	100	-	100
Maintenance - Snow Removal	100	100	-	100
Utilities	55,000	55,000	48,102	6,898
Equipment Rentals	15,000	15,000	6,329	8,671
Engineering Services	30,000	30,000	15,999	14,001
Special Road Projects -				
Non-Dedicated Roads	30,000	30,000	26,771	3,229
Prior Year Contracts	100	100	-	100
Commodities -				
Fuel and Lubricants	120,000	120,000	55,885	64,115
Supplies - Buildings	25,000	25,000	19,373	5,627
Supplies - Equipment	100,000	100,000	79,168	20,832
Supplies - Roads	115,000	115,000	77,421	37,579
Supplies - Bridges	100	100	-	100
Supplies - Snow Removal	100	100	-	100
Clothing and Protective Equipment	10,000	10,000	3,764	6,236

See Independent Auditor's Report

ALGONQUIN TOWNSHIP
BUDGETARY COMPARISON SCHEDULE - ROAD AND BRIDGE FUND (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2017

	<u>Budget</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures (Continued):				
Other Expenses -				
Miscellaneous	\$ 7,500	\$ 7,500	\$ 2,133	\$ 5,367
Grants	100	100	-	100
Environmental Services	75,000	75,000	61,572	13,428
Senior Transportation Services	5,000	5,000	1,339	3,661
Capital Outlay -				
Land Acquisition	100	100	-	100
Buildings	5,000	5,000	-	5,000
Equipment	5,000	5,000	-	5,000
Other Improvements	5,000	5,000	-	5,000
Total Maintenance	<u>\$ 1,938,200</u>	<u>\$ 1,938,200</u>	<u>\$ 1,761,440</u>	<u>\$ 176,760</u>
Contingencies	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ 20,000</u>
Total Expenditures	<u>\$ 2,657,700</u>	<u>\$ 2,657,700</u>	<u>\$ 2,264,150</u>	<u>\$ 393,550</u>
Excess Revenues or (Expenditures)	<u>\$ (858,700)</u>	<u>\$ (858,700)</u>	\$ (113,501)	<u>\$ 745,199</u>
Transfers from (to) Other Funds			372,020	
Fund Balance - Beginning of Year			<u>1,203,269</u>	
Fund Balance - End of Year			<u>\$ 1,461,788</u>	

See Independent Auditor's Report

ALGONQUIN TOWNSHIP
BUDGETARY COMPARISON SCHEDULE - EQUIPMENT AND BUILDING FUND
FOR THE YEAR ENDED MARCH 31, 2017

	<u>Budget</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$ 1,220,000	\$ 1,220,000	\$ 1,227,003	\$ 7,003
State Replacement Taxes	10,000	10,000	10,741	741
Interest Income	<u>2,500</u>	<u>2,500</u>	<u>8,295</u>	<u>5,795</u>
Total Revenues	<u>\$ 1,232,500</u>	<u>\$ 1,232,500</u>	<u>\$ 1,246,039</u>	<u>\$ 13,539</u>
Expenditures:				
Capital Outlay -				
Building and Upgrading	\$ 800,000	\$ 644,000	\$ 122,369	\$ 521,631
Equipment, Vehicles, and Machinery	800,000	800,000	578,599	221,401
Service Charges	2,500	2,500	2,430	70
Debt Service -				
Principal	180,000	336,000	335,301	699
Interest	35,000	35,000	12,654	22,346
Rent	<u>20,000</u>	<u>20,000</u>	<u>10,800</u>	<u>9,200</u>
Total Expenditures	<u>\$ 1,837,500</u>	<u>\$ 1,837,500</u>	<u>\$ 1,062,153</u>	<u>\$ 775,347</u>
Excess Revenues or (Expenditures)	<u>\$ (605,000)</u>	<u>\$ (605,000)</u>	\$ 183,886	<u>\$ 788,886</u>
Transfers from (to) Other Funds			(372,020)	
Fund Balance - Beginning of Year			<u>1,747,973</u>	
Fund Balance - End of Year			<u>\$ 1,559,839</u>	

See Independent Auditor's Report

ALGONQUIN TOWNSHIP
MULTI-YEAR SCHEDULE OF CHANGES IN NET
PENSION LIABILITY AND RELATED RATIOS
FOR THE YEARS ENDED DECEMBER 31

RSI - MULTIYEAR SCHEDULE OF CHANGES IN NPL & RELATED RATIOS

Calendar Year Ending December 31,	2016	2015
Total Pension Liability		
Service Cost	\$ 150,203	\$ 151,126
Interest on the Total Pension Liability	608,355	593,591
Changes of Benefit Terms	-	-
Difference between Expected and Actual Experience of the Total Pension Liability	(68,204)	(352,241)
Changes of Assumptions	-	-
Benefit payments, including Refunds of Employee Contributions	(196,871)	(193,456)
Net Change in Total Pension Liability	\$ 493,483	\$ 199,020
Total Pension Liability - Beginning	8,134,733	7,935,713
Total Pension Liability - Ending (A)	<u>\$ 8,628,216</u>	<u>\$ 8,134,733</u>
Plan Fiduciary Net Position		
Contributions - Employer	\$ 113,859	\$ 121,992
Contributions - Employee	64,857	62,883
Net Investment Income	567,691	42,577
Benefit Payments, including Refunds of Employee Contributions	(196,871)	(193,456)
Other (Net Transfer)	23,938	(357,894)
Net Change in Plan Fiduciary Net Position	\$ 573,474	\$ (323,898)
Plan Fiduciary Net Position - Beginning	8,195,728	8,519,626
Plan Fiduciary Net Position - Ending (B)	<u>\$ 8,769,202</u>	<u>\$ 8,195,728</u>
Net Pension Liability (Asset) {(A) - (B)}	<u>\$ (140,986)</u>	<u>\$ (60,995)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	101.63%	100.75%
Covered Valuation Payroll	<u>\$ 1,441,247</u>	<u>\$ 1,397,382</u>
Net Pension Liability as a percentage of Covered Valuation payroll	(9.78)%	(4.36)%

Note to Schedule: This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten year trend is compiled, information is presented for those years for which information is available.

ALGONQUIN TOWNSHIP
MULTI-YEAR SCHEDULE OF CONTRIBUTIONS
FOR THE YEARS ENDED DECEMBER 31

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2015	\$ 121,991	\$ 121,992	\$ (1)	\$ 1,397,382	8.73%
2016	113,859	113,859	-	1,441,247	7.90%

Note to Schedule: This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten year trend is compiled, information is presented for those years for which information is available.

ALGONQUIN TOWNSHIP
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
MARCH 31, 2017

NOTE 12 – BUDGETARY ACCOUNTING AND BUDGET PROCESS

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

The annual budget process is as follows:

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

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

ALGONQUIN TOWNSHIP
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
MARCH 31, 2017

NOTE 13 – SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2016 CONTRIBUTION RATE

*Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2016 Contribution Rate**

Valuation Date: December 31, 2016

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

Methods and Assumptions Used to Determine 2016 Contribution Rates:

Actuarial Cost Method: Aggregate entry age - normal

Amortization Method: Level percentage of payroll, closed

Remaining Amortization Period: 27-year closed period until remaining period reaches 15 years (then 15 year rolling period).

Asset Valuation Method: 5-year smoothed market; 20% corridor

Wage Growth: 3.5%

Price Inflation: 2.75%, approximate; No explicit price inflation assumption was used in the valuation.

Salary Increases: 3.75% to 14.5%, including inflation

Investment Rate of Return: 7.50%

Single Discount Rate: 7.50%

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013.

Mortality: For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generation projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes: There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2014 actuarial valuation

OTHER INFORMATION

ALGONQUIN TOWNSHIP
BUDGETARY COMPARISON SCHEDULE - GENERAL ASSISTANCE FUND
FOR THE YEAR ENDED MARCH 31, 2017

	<u>Budget</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive
				(Negative)
Revenues:				
Property Taxes	\$ 120,000	\$ 120,000	\$ 121,629	\$ 1,629
State Replacement Taxes	2,000	2,000	2,418	418
Interest Income	150	150	1,964	1,814
Other Revenues	-	-	770	770
Total Revenues	<u>\$ 122,150</u>	<u>\$ 122,150</u>	<u>\$ 126,781</u>	<u>\$ 4,631</u>
Expenditures:				
Administration -				
Personnel -				
Salaries	\$ 30,000	\$ 30,000	\$ 30,000	\$ -
Social Security and Medicare	2,300	2,300	2,300	-
Employee Health Insurance	3,000	3,000	3,000	-
Retirement Contribution	2,600	2,600	2,600	-
Unemployment Insurance	50	50	50	-
Contractual Services -				
Maintenance - Equipment	1,000	1,000	89	911
Legal Services	1,000	1,000	-	1,000
Postage	1,000	1,000	961	39
Telecommunications	1,000	1,000	319	681
Printing and Publishing	500	500	335	165
Travel, Training, and Meetings	1,000	1,000	120	880
Utilities	7,500	7,500	4,979	2,521
Cleaning Services	3,500	3,500	3,200	300
Computer Technical Support	500	500	-	500
Commodities -				
Office Supplies	500	500	-	500
Computer Supplies	500	500	130	370
Computer Software	1,000	1,000	750	250
Other Expense -				
Miscellaneous	500	500	300	200
Service Charges	3,000	3,500	3,517	(17)
Capital Outlay -				
Office Equipment	3,000	2,500	-	2,500
Computer Equipment	1,000	1,000	-	1,000
Total Administration	<u>\$ 64,450</u>	<u>\$ 64,450</u>	<u>\$ 52,650</u>	<u>\$ 11,800</u>

See Independent Auditor's Report

ALGONQUIN TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
GENERAL ASSISTANCE FUND (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2017

	<u>Budget</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Expenditures (Continued):				
Home Relief -				
Contractual Services -				
Transportation Expenses	\$ 7,500	\$ 7,500	\$ 3,265	\$ 4,235
Utilities	25,000	25,000	17,571	7,429
General Insurance	3,500	3,500	3,175	325
Physician Services	3,000	3,000	-	3,000
Hospital Services	5,000	5,000	-	5,000
Drugs	3,000	3,000	-	3,000
Dental	500	500	-	500
Other Medical Care	2,000	2,000	-	2,000
Funeral and Burial	1,500	1,500	-	1,500
Shelter / Rent	62,700	62,700	23,238	39,462
Counseling	900	900	-	900
Emergency Assistance - Shelter	52,000	52,000	31,987	20,013
Emergency Assistance - Utilities	60,000	59,500	33,369	26,131
Emergency Assistance - All Other	2,500	2,500	392	2,108
Commodities -				
Food and Incidentals	1,000	1,500	2,031	(531)
Job Training and Related Expense	500	500	-	500
Other Expenses -				
Miscellaneous	1,000	1,000	-	1,000
Unforeseen Hardship	3,000	3,000	-	3,000
Total Home Relief	<u>\$ 234,600</u>	<u>\$ 234,600</u>	<u>\$ 115,028</u>	<u>\$ 119,572</u>
Contingencies	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ 10,000</u>
Total Expenditures	<u>\$ 309,050</u>	<u>\$ 309,050</u>	<u>\$ 167,678</u>	<u>\$ 141,372</u>
Excess Revenues or (Expenditures)	<u>\$ (186,900)</u>	<u>\$ (186,900)</u>	<u>\$ (40,897)</u>	<u>\$ 146,003</u>
Fund Balance - Beginning of Year			<u>364,520</u>	
Fund Balance - End of Year			<u>\$ 323,623</u>	

See Independent Auditor's Report