VILLAGE OF Cary

EST. 1893

# COMPREHENSIVE ANNUAL FINANCIAL REPORT
# FOR THE YEAR ENDED APRIL 30, 2016

655 VILLAGE HALL DRIVE
CARY, ILLINOIS 60013-2599
847.639.0003 FAX 847.639.2761
WWW.CARYILLINOIS.COM

# VILLAGE OF CARY, ILLINOIS

**Comprehensive Annual Financial Report**

For the Year Ended April 30, 2016

Prepared By Finance Department:

Mary Ventrella
Finance Manager

**Village of Cary, Illinois**
**Comprehensive Annual Financial Report**
**For the Year Ended April 30, 2016**

## Table of Contents

### Introductory Section


| | |
|---|---|
| Letter of Transmittal | i - v |
| Organization Chart | vi |
| Principal Officials | vii |
| Certificate of Achievement for Excellence in Financial Reporting | viii |


### Financial Section


| | |
|---|---|
| **Independent Auditor's Report** | 1 - 3 |
| **Management's Discussion and Analysis** | MD&A 1-14 |
| **Basic Financial Statements:** | |
| Government-wide Financial Statements: | |
| Statement of Net Position | 4 - 5 |
| Statement of Activities | 6 - 7 |
| Fund Financial Statements: | |
| Balance Sheet - Governmental Funds | 8 |
| Reconciliation of Balance Sheet of Governmental Funds to the Statement of Net Position | 9 |
| Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds | 10 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 11 |
| Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Major Funds - General Fund | 12 |
| Statement of Net Position - Proprietary Funds | 13 - 14 |


(cont'd)

## Table of Contents (cont'd)

### Financial Section (cont'd)

**Basic Financial Statements** (cont'd):
Fund Financial Statements (cont'd):
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds 15

Statement of Cash Flows - Proprietary Funds 16 - 17

Statement of Net Position - Fiduciary Funds - Trust and Agency Funds 18

Statement of Changes in Net Position - Fiduciary Funds - Pension Trust Fund 19

Notes to the Financial Statements 20 - 63

**Required Supplementary Information:**
Schedule of Funding Progress and Employer Contributions:
Other Post-employment Benefits Retiree Healthcare Plan 64

Multiyear Schedule of Employer Contributions:
Illinois Municipal Retirement Fund 65

Police Pension Fund 66 - 67

Multiyear Schedule of Changes in the Employer's Net Pension Liability and Related Ratios:
Illinois Municipal Retirement Fund 68

Police Pension Fund 69

Multiyear Schedule of Investment Returns:
Police Pension Fund 70

(cont'd)

## Table of Contents (cont'd)

**Financial Section** (cont'd)

**Supplemental Information:**
Governmental Funds:
Major Governmental Funds:
Schedule of Revenues - Budget and Actual - General Fund 71 - 72

Schedule of Expenditures - Budget and Actual - General Fund 73

Schedule of Detailed Expenditures - Budget and Actual - General Fund 74 - 82

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Infrastructure Capital Improvements - Capital Projects Fund 83

Nonmajor Governmental Funds:
Combining Balance sheet - Nonmajor Governmental Funds 84 - 85

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds 86 - 87

Debt Service Fund:
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Bond Fund 88

Capital Projects Fund:
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - T.I.F. Fund 89

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Vehicle and Equipment Fund 90

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Building Fund 91

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Other Capital Projects Fund 92

Schedule of Detailed Expenditures - Budget and Actual - Other Capital Projects Fund 93

(cont'd)

## Table of Contents (cont'd)

### Financial Section (cont'd)

**Supplemental Information** (cont'd):
Enterprise Funds:
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual - Water and Sanitation Fund 94

Schedule of Changes in Net Position - Restricted Debt - Water and Sanitation Fund 95

Schedule of Operating Expenses - Budget and Actual - Water and Sanitation Fund 96 - 100

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual - Parking Fund 101

Schedule of Operating Expenses - Budget and Actual - Parking Fund 102

Agency Funds - Special Assessment Funds:
Combining Statement of Changes in Assets and Liabilities 103

Long-term Debt Requirements:
General Obligation Alternate Revenue Source Bonds of 2009 104
Water and Sanitation Refunding Revenue Bonds of 2005 105
IEPA Loan of 2002 106

Schedule of Insurance in Force 107

### Statistical Section

Net Position by Component - Last Ten Fiscal Years (Accrual Basis of Accounting) 108 - 109

Change in Net Position - Last Ten Fiscal Years (Accrual Basis of Accounting) 110 - 113

Fund Balances of Governmental Funds - Last Ten Fiscal Years (Modified Accrual Basis of Accounting) 114 - 115

General Governmental Revenues By Source - Last Ten Fiscal Years (Modified Accrual Basis of Accounting) 116 - 117

(cont'd)

**Village of Cary, Illinois**
**Comprehensive Annual Financial Report**
**For the Year Ended April 30, 2016**

## Table of Contents (cont'd)

### Statistical Section (cont'd)


| | |
|---|---|
| General Governmental Expenditures By Function - Last Ten Fiscal Years (Modified Accrual Basis of Accounting) | 118 - 119 |
| Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years (Modified Accrual Basis of Accounting) | 120 - 121 |
| Assessed Value and Actual Value of Taxable Property - Last Ten Levy Years | 122 - 123 |
| Direct and Overlapping Governments - Property Tax Rates - Last Ten Levy Years | 124 - 125 |
| Principal Property Taxpayers - Current Year and Nine Years Ago | 126 |
| Property Tax Extensions and Collections - Last Ten Fiscal Years | 127 |
| Ratios of Outstanding Debt - By Type - Last Ten Fiscal Years | 128 |
| Ratio of General Bonded Debt Outstanding to Equalized Assessed Value and Net General Obligation Bonded Debt Per Capita - Last Ten Fiscal Years | 129 - 130 |
| Schedule of Direct and Overlapping Bonded Debt | 131 |
| Schedule of Legal Debt Margin | 132 |
| Pledged Revenue Coverage - Last Ten Fiscal Years | 133 |
| Demographic and Economic Statistics - Last Ten Fiscal Years | 134 |
| Principal Employers - Current Year and Nine Years Ago | 135 - 136 |
| Full-time Equivalent Employees - Last Ten Fiscal Years | 137 - 138 |
| Operating Indicators - Last Ten Fiscal Years | 139 - 140 |
| Capital Asset Statistics - Last Ten Fiscal Years | 141 - 142 |

# INTRODUCTORY SECTION

VILLAGE OF Cary

EST. 1893

October 16, 2016

The Honorable Mayor
Members of the Board of Trustees
Residents of the Village of Cary, Illinois

The Comprehensive Annual Financial Report (CAFR) for the **Village of Cary, Illinois** for the year ended April 30, 2016, is hereby submitted. The CAFR is the Village's annual financial report to its taxpayers and governing board. State statutes require the Village to have an annual audit by an independent Certified Public Accountant. The Village of Cary, Illinois has utilized the certified public accounting firm of Selden Fox, Ltd. to conduct this annual audit. The report of the auditor on the basic financial statements, combined and individual fund statements and schedules, is included in the financial section of this report.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that are established for this purpose. Because the cost of internal controls should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Selden Fox, LTD, Certified Public Accountants, has issued an unmodified ("clean") opinion on the Village of Cary's (the "Village") financial statements for the year ended April 30, 2016. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

## GENERAL VILLAGE INFORMATION

The Village of Cary is located in McHenry County, Illinois and lies approximately 42 miles northwest of the City of Chicago. The Village of Cary covers a broad geographical area and, per the 2010 Census, has a population of 18,271 residents.

The Village of Cary was incorporated in 1893. The Village is a non-home rule community and is governed by a Mayor and a six-member Board of Trustees, elected for overlapping four-year terms. The Mayor by and with the advice and consent of the Board of Trustees appoints a Village Administrator who oversees the day-to-day operations of the Village with the Village management team.

Located within commuting distance of Chicago and its suburbs, the Village of Cary has experienced considerable growth over the past twenty years in both population and in taxable valuation related to new residential, industrial and commercial property. According to the 2010 Census, the Village of Cary had a median household income of $87,138. This compares to $77,314 for McHenry County and $55,222 for the State of Illinois.

655 VILLAGE HALL DRIVE
CARY, ILLINOIS 60013-2599
847.639.0003 FAX 847.639.2761
WWW.CARYILLINOIS.COM

The Village of Cary provides a full range of municipal services while, at the same time, maintaining a professional staff of only 57 full-time employees. Over the past several years, the Village's staff levels have been reduced from a high of 87 employees (2004-05) to the current number of 57 employees as of the end of fiscal year 2016. The Village's governmental services are delivered from the Community Development Department, Finance Department, Public Works Department, Police Department, and the Village Administrator. In addition, the Village of Cary is a founding partner, with the City of Crystal Lake and the Village of Algonquin, in the intergovernmental Southeast Emergency Communications (SEECOM) Regional Public Safety Dispatch Center.

**Local Economy**

The Village of Cary has been successful in weathering the slow recovery after the prolonged recession which ended in 2009. This has been in large part due to the fiscal management efforts of the Village Board and staff. For the most part, the Village has maintained service levels through a combination of growth in development related activities, reductions in operating expenses, and growth in the tax base to fund the police pension tax levy which is annually determined by an independent actuary. In December 2012, the Village increased the levy by 2.99% of which .54% was for new community growth. The balance of the levy increase was allocated to the Police Pension Fund to adjust the assumed rate of return for pension investments which had been 8.0% and is now 7.5%. In December 2013, the Village increased the levy by 2.13%, of which .43% was for new community growth. The balance of the levy increase was allocated to the Police Pension Fund. In December 2014, the Village only increased the levy by .34% or an increase of $8,512 which was from new development. In December 2015, the Village approved the levy with a 0% overall increase. The corporate portion was reduced to allow an increase to the police pension portion of the levy.

One factor that has also contributed to the stable economic condition of the Village is that several large employers are located in the Village of Cary. The largest employer is Sage Products. Sage Products currently employs approximately 600 employees and is a developer and manufacturer of innovative medical and healthcare products used by professional and retail consumers throughout the world. Another outstanding Cary employer is Aptar. Aptar, a manufacturer of aerosol valves and non-aerosol pumps, has approximately 500 people on staff. True Value, a manufacturer of paints, brushes, varnishes and enamels, employs approximately 165 people. Durex International, a manufacturer of electric heaters and temperature sensors, employs over 240 people. Coilcraft Manufacturing manufactures small electrical components and employs 250 employees. These are some of the examples of large private-sector employers in the Village of Cary.

Most of the workforce that resides in the Village of Cary commutes to the surrounding communities and the City of Chicago. Unemployment rates are not regularly available for the Village of Cary; however, the unemployment rate for McHenry County of 5.7% is significantly lower than the unemployment rate for the State of Illinois at 6.6% for April 2016.

With the national economic outlook slowly showing signs of recovery, there is still much concern surrounding the financial condition of the State of Illinois and the potential impact on the Village. The State budget impasse has begun to impact municipalities through a loss of existing state revenues to those agencies. The Local Governmental Distribution Fund (LGDF) has not yet been frozen, but it is believed that anywhere from 10-50% of those village revenues may be at risk in the near future. The threat of a property tax freeze has been the subject of many conversations at the state level. Last but certainly not least, the State has not addressed the public pension crisis furthering the uncertainty of state shared revenues to municipalities. The Village has kept close watch on the State as the legislature attempts to resolve their problems. We are monitoring legislative activity to be able to react and adjust operations quickly, if needed. At this point in time, the pending threat from the State of Illinois is more of a concern on our ability to fund core municipal services than the national economy.

## LONG-TERM FINANCIAL PLANNING

The Village regularly reviews its reserve funds to ensure available funds are on hand for any shortfalls in revenue and/or any unanticipated large expenditures. While this has rarely ever occurred, it is an example of the fiscal planning of the Village Board. During Fiscal Year 2016, the Village reviewed and updated its Investment and Cash Management Policy conforming to all State statutes governing the investment of public funds and Fund Balance Policy. Also, the Village established and adopted a new Purchasing Policies and Procedures Manual to provide for the acquisition of goods and services in an efficient and economical manner.

The Village Board has established guidelines for budgetary and planning purposes of the amount of unassigned fund balance in the General Fund that should be maintained as a reserve. This policy states that "the Village wishes to maintain unassigned fund balance in the General Fund to fund operations for a period of at least three months. The Village Board finds it in the best interest of the Village to approve a Fund Balance and Reserve Policy that provides for a transfer to other funds when unassigned fund balance exceeds 45% of general fund expenditures not including transfers to fund capital projects.

The Village has established a Vehicle and Equipment Fund. The main source of support for this fund is from the annual impact fee paid by Meyer Material Company. This impact fee and the establishment of this fund will enable the Village to purchase Public Works trucks and Police patrol vehicles in future years.

The Village prepares its Capital Improvement Program (CIP) and incorporates it into the budget. The CIP is a multi-year planning tool that identifies the infrastructure improvements that are needed along with other capital projects to other Village property, and to coordinate the timing of these projects with the available financing. The multi-year CIP for road resurfacing is updated annually.

## RELEVANT FINANCIAL POLICIES

The Village has established several policies to guide its financial operations. Those policies relate to financial stability and reporting, debt issuance, investment and cash management, purchasing, and budget development and adjustment. Some of the most significant policies include:

- Issue a Comprehensive Annual Financial Report within 180 days of the end of each fiscal year that complies with generally accepted accounting principles.
- Capitalize building improvements, land improvements, infrastructure, vehicles, and equipment having a minimum acquisition cost of $5,000 or more.
- The budget of a fund shall be considered "balanced" when planned revenues or existing fund equity equal or exceed planned expenditures, that is, total outlays or disbursements, for a fiscal year.
- Invest public funds in a manner that will provide a competitive investment return with the maximum security while meeting daily cash flow demands of the Village and conform to all state statutes governing the investment of public funds. (Investment and Cash Management)
- Require that all bank deposits be collateralized with high-quality securities having a market value of at least 110% of the underlying securities.
- Conduct a formal competitive bidding process for purchases of $20,000 or more. (Purchasing)

## MAJOR INITIATIVES

The Village continued its commitment to investment in infrastructure replacement and modernization of operations during Fiscal Year 2016 which included the following:

- The Village completed over $1.6M in road improvements within the Village.
- The Village Board approved a four-year labor contract with members of the Fraternal Order of Police Labor Council that resulted in a labor contract for 19 patrol officers.
- The Village Board approved a five-year labor contract with members of the Service Employees International Union Local 73 which restructured positions to modernize operations and incentivize labor unit employees that seek advanced training and certifications.
- The Village transferred $750,000 from the Capital Improvement Fund to the Building Fund and received a developer donation of $250,000 for the building fund to start saving money for a new municipal building.
- The Village participated with local and regional municipalities on joint bidding and purchasing projects to leverage economies of scale.
- The Village finalized the acquisition and demolition of three properties at the corner of Sunset Drive and Crest Drive that were impacted by flooding in 2013. The Village obtained a Federal grant from the Federal Emergency Management Agency (FEMA) to purchase the lots and demolish the homes on the site.
- The Village website was comprehensively updated to ensure easy access to information through a transparent platform.
- The Village Board approved the use of live streaming and video archiving Village meetings to enhance meeting accessibility.
- The Village approved and began the process of completing a multi-year wastewater treatment plant feasibility study.
- The Village invested $450,000 into Water Tower #3 which included rehabilitation and painting of the tower.
- The Village began implementing initiatives from a new Comprehensive Plan that will guide community development for the next twenty (20) years.

## AWARDS AND ACKNOWLEDGEMENTS

### Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting. We are pleased to report that the GFOA awarded its Certificate of Achievement for Excellence in Financial Reporting to the Village of Cary for its Comprehensive Annual Financial Report (CAFR) for 17 consecutive years (Fiscal Years Ended April 30, 1999 through April 30, 2015). The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. We believe that our current Comprehensive Annual Financial Report as of April 30, 2016, continues to meet the Certificate of Achievement Program requirements for the award and are hereby submitting it to the GFOA to determine its eligibility for another certificate.

## Acknowledgements

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated services of the entire staff of the Finance Department and other operating departments of the Village. The staff of the Finance Department have our and the Village's gratitude for their daily contributions to the Village of Cary, its residents and the Finance Department. In addition, the Village of Cary wishes to recognize the staff of the firm of Lauterbach & Amen LLP for their continued support in the financial operations of the Village. Their professionalism and cooperation are greatly appreciated by the Village of Cary and, in particular, by us and the staff of the Finance Department. The dedication of the Village of Cary staff, in cooperation with the staff of Lauterbach & Amen, provided the cooperative working relationship necessary for the completion of this document.

In closing, we would like to thank the Mayor and Village Board of Trustees for their significant interest and support in planning and conducting the financial operations of the Village of Cary in a responsible and conservative manner. Without their leadership and ongoing support completion of this report would not have been possible.

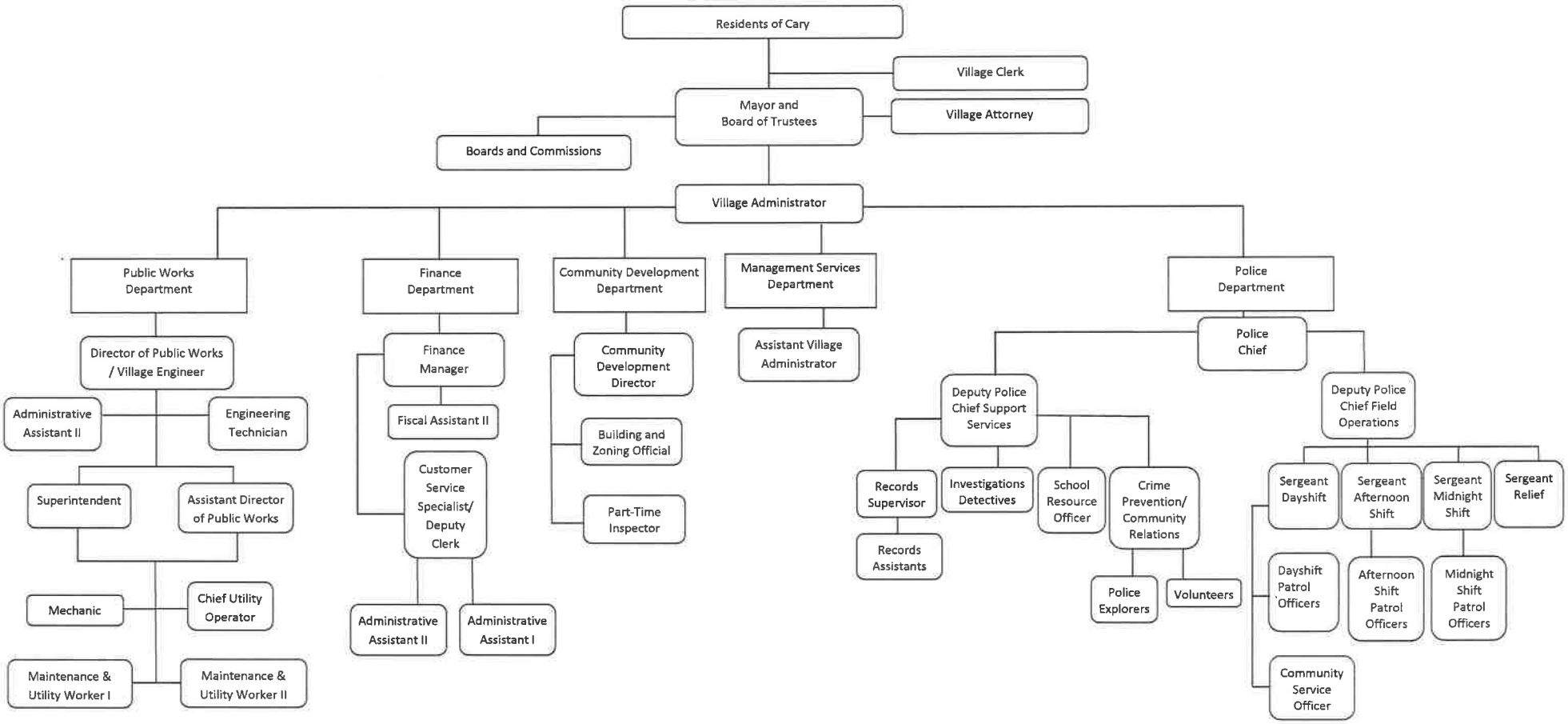
Respectfully submitted,

**VILLAGE OF CARY**

Mary Ventrella, CPA
Finance Manager

Christopher Clark
Village Administrator/Treasurer

# Village of Cary
## Organization Chart



**Village of Cary, Illinois**
**Principal Officials**
**April 30, 2016**

| TITLE | NAME | TERM EXPIRES |
|---|---|---|
| Mayor | Mark Kownick | April, 2017 |
| Trustee | David Chapman | April, 2017 |
| Trustee | Jim Cosler | April, 2019 |
| Trustee | Kimberly Covelli | April, 2019 |
| Trustee | D. Rick Dudek | April, 2017 |
| Trustee | Jeffrey Kraus | April, 2017 |
| Trustee | Ellen McAlpine | April, 2019 |
| Village Clerk | Nancy Bragg | April, 2017 |
| Village Administrator | Christopher D. Clark | |
| Village Attorney | Adam Simon<br>Ancel Glink Diamond Bush DiCianni & Krafthefer | |

Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Village of Cary**

**Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

**April 30, 2015**

Executive Director/CEO

# FINANCIAL SECTION

# INDEPENDENT AUDITOR'S REPORT

Selden Fox
Accounting for your future

619 Enterprise Drive | Oak Brook, Illinois 60523 | www.seldenfox.com
p 630.954.1400 | f 630.954.1327 | email@seldenfox.com

## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor
Members of the Board of Trustees
Village of Cary, Illinois
Cary, Illinois

We have audited the accompanying financial statements of the governmental activities, business-type activities, fiduciary activities, each major fund, and the aggregate remaining fund information of the **Village of Cary, Illinois** as of and for the year ended April 30, 2016, and the statement of revenues, expenditures and changes in fund balance – budget and actual for the General Fund and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

A member of
mgiworldwide

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the governmental activities, business-type activities, fiduciary activities, each major fund, and the aggregate remaining fund information of the Village of Cary, Illinois as of April 30, 2016, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Emphasis of Matter

As discussed in Note 15 to the financial statements, the Village of Cary adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68.* Our opinions are not modified with respect to these matters.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages MD&A 1-14), the schedule of funding progress – OPEB Plan (page 64), the multiyear schedules of contributions (pages 65-67), the multiyear schedules of changes in net pension liability and related ratios (pages 68-69), and the multiyear schedule of investment returns (page 70) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiry 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 made for the purpose of forming opinions on the financial statements that collectively comprise the Village of Cary, Illinois' basic financial statements. The supplemental information (pages 71-107), and the introductory and statistical sections are presented for purposes of additional analysis, and are not a required part of the basic financial statements.

The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 supplemental information is fairly stated in all material respects in relation to the financial statements as a whole.

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

Selden Fox, Ltd.

October 16, 2016

# MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the **Village of Cary, Illinois'** financial performance provides an overview of the Village's financial activities for the fiscal year ended April 30, 2016. Please read it in conjunction with the transmittal letter beginning on page i and the Village's financial statements beginning on page 4.

## FINANCIAL HIGHLIGHTS

- The Village's net position increased by $592,028 or 1.58 percent as a result of this year's operations. Net position of governmental activities increased by $636,743 or 3.21 percent, and net position of the business-type activities decreased by $44,715 or 0.26 percent.

- During the year, revenues for the governmental activities totaled $10.35 million and expenses were $9.71 million, resulting in an increase in net position of $0.64 million.

- Revenues for business-type activities totaled $3.72 million, while expenses totaled $3.77 million, reflecting a decrease in net position of $44 thousand.

- The General Fund reported a net increase in fund balance of $152,645 in the current year primarily due to cost savings from various commodities including gasoline and oil.

## USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 4 - 7) provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. Fund financial statements begin on page 8. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds. The remaining statements provide financial information about activities for which the Village acts solely as a trustee or agent for the benefit of those outside of the government.

### Government-wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business. The government-wide financial statements can be found on pages 4 -7 of this report.

The Statement of Net Position reports information on all of the Village's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the Village's property tax base and the condition of the Village's roads, is needed to assess the overall health of the Village.

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

**USING THIS ANNUAL REPORT** (Continued)

**Government-wide Financial Statements** (Continued)

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, public safety, and highways/streets. The business-type activities of the Village include water, sanitation and commuter parking operations.

The Village includes one separate legal entity in its report, the Cary Police Pension Fund. Although legally separate, this "component unit" is important because the Village is financially accountable for the Fund. Financial information for the component unit is reported separately from the financial information presented for the primary government itself.

**Fund Financial Statements**

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

**Governmental Funds**

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

**USING THIS ANNUAL REPORT** (Continued)

**Fund Financial Statements** (Continued)

The Village maintains eight (8) individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the following funds: General Fund and the Infrastructure Capital Improvements Fund. Both of these funds are considered major funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Village adopts an annual appropriation budget for all of the governmental funds, except the Revolving Loan Permanent Fund. The budget to actual comparison statement for the General Fund is included with the basic governmental fund financial statements. A budgetary comparison schedule for the other governmental funds has been provided in the supplemental information following the note, to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 8 - 12 of this report.

**Proprietary Funds**

The Village maintains two proprietary funds, both of which are enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village utilizes enterprise funds to account for its water, sanitation and commuter parking operations.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sanitation Fund, considered a major fund, and for the Parking Fund, considered a non-major fund of the Village.

The basic proprietary fund financial statements can be found on pages 13 - 17 of this report.

**Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 18 - 19 of this report.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20 - 63 of this report.

## USING THIS ANNUAL REPORT (Continued)

### Fund Financial Statements (Continued)

### Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's Illinois Municipal Retirement Fund and police officer pension obligations, as well as the Village's other post-employment benefit plan. Required supplementary information can be found on pages 64 - 70 of this report. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 71 - 102 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Village of Cary, total assets/deferred outflows exceeded liabilities/deferred inflows by $37.9 million at April 30, 2016, compared to $47.2 million, before restatement, at April 30, 2015. In Fiscal Year 2016, the Village implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68 and No. 71 related to the reporting of the Village's participation with the Illinois Municipal Retirement Fund (IMRF) and the Police Pension Plan. The provisions of the statements require that the Village report on the face of the Statement of Net Position the net pension liabilities related to the two pension plans in which the Village participates. This implementation led to a restatement of beginning net position (see Note 15 in the notes to the financial statements for more details on the restatement).

| | Net Position | | | | | |
|---|---|---|---|---|---|---|
| | Governmental Activities | | Business-Type Activities | | Totals | |
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Current and Other Assets | $18,129,286 | $18,707,027 | $ 8,787,045 | $ 9,147,997 | $ 26,916,331 | $ 27,855,024 |
| Capital Assets | 20,607,059 | 19,716,921 | 13,398,603 | 13,913,006 | 34,005,662 | 33,629,927 |
| **Total Assets** | 38,736,345 | 38,423,948 | 22,185,648 | 23,061,003 | 60,921,993 | 61,484,951 |
| Deferred Outflow of Resources | 1,678,220 | - | 335,721 | 71,901 | 2,013,941 | 71,901 |
| **Total Deferred Outflows** | 1,678,220 | - | 335,721 | 71,901 | 2,013,941 | 71,901 |
| Long-Term Debt Outstanding | 13,830,404 | 4,345,723 | 4,104,842 | 3,973,281 | 17,935,246 | 8,319,004 |
| Other Liabilities | 1,930,195 | 2,061,735 | 953,346 | 1,113,472 | 2,883,541 | 3,175,207 |
| **Total Liabilities** | 15,760,599 | 6,407,458 | 5,058,188 | 5,086,753 | 20,818,787 | 11,494,211 |
| Deferred Inflows of Resources | 4,153,436 | 2,819,483 | 12,656 | - | 4,166,092 | 2,819,483 |
| **Total Deferred Inflows** | 4,153,436 | 2,819,483 | 12,656 | - | 4,166,092 | 2,819,483 |
| Net Position | | | | | | |
| Net Investment in Capital Assets | 17,287,059 | 16,096,921 | 9,493,205 | 9,215,303 | 26,780,264 | 25,312,224 |
| Restricted | 1,402,674 | 1,310,096 | 1,710,000 | 1,902,000 | 3,112,674 | 3,212,096 |
| Unrestricted | 1,810,797 | 11,789,990 | 6,247,320 | 6,928,848 | 8,058,117 | 18,718,838 |
| **Total Net Position, As Restated** | $ 20,500,530 | $ 29,197,007 | $ 17,450,525 | $ 18,046,151 | $ 37,951,055 | $ 47,243,158 |

## GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Total assets for the Village of Cary are $60.9 million allocated between capital assets and current and other assets. The Village uses these capital assets to provide services to Village residents; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other revenue sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Approximately 71 percent of the Village's net position reflects its net investment in capital assets. Eight percent (8%) of the Village's net position represents resources that are subject to external restrictions on how they may be used. The remaining 21 percent, or $8.0 million, represents unrestricted net position that may be used to meet the government's ongoing obligations to citizens and creditors.

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|---|---|---|---|---|---|---|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | $ 1,755,480 | $ 1,907,458 | $ 3,659,978 | $ 3,648,469 | $ 5,415,458 | $ 5,555,927 |
| Operating grants/ Contributions | 686,301 | 834,664 | - | - | 686,301 | 834,664 |
| Capital grants | 606,418 | 654,145 | - | - | 606,418 | 654,145 |
| General revenues: | | | | | | |
| Property taxes | 2,816,328 | 2,829,185 | - | - | 2,816,328 | 2,829,185 |
| Sales taxes | 1,320,741 | 1,289,922 | - | - | 1,320,741 | 1,289,922 |
| Utility taxes | 577,822 | 586,335 | - | - | 577,822 | 586,335 |
| Intergovernmental | 2,358,463 | 2,331,727 | - | - | 2,358,463 | 2,331,727 |
| Other general revenues | 228,490 | 231,007 | 64,766 | 42,187 | 293,256 | 273,194 |
| **Total revenues** | 10,350,043 | 10,664,443 | 3,724,744 | 3,690,656 | 14,074,787 | 14,355,099 |
| Expenses: | | | | | | |
| General government | 2,256,285 | 1,989,830 | - | - | 2,256,285 | 1,989,830 |
| Public safety | 4,799,002 | 4,435,935 | - | - | 4,799,002 | 4,435,935 |
| Highways and streets | 2,562,140 | 2,785,008 | - | - | 2,562,140 | 2,785,008 |
| Interest on long-term debt | 95,873 | 98,048 | - | - | 95,873 | 98,048 |
| Water and sanitation | - | - | 3,620,742 | 3,615,787 | 3,620,742 | 3,615,787 |
| Parking | - | - | 148,717 | 129,734 | 148,717 | 129,734 |
| **Total expenses** | 9,713,300 | 9,308,821 | 3,769,459 | 3,745,521 | 13,482,759 | 13,054,342 |
| **Changes in net position** | 636,743 | 1,355,622 | (44,715) | (54,865) | 592,028 | 1,300,757 |
| Net position - beginning | 29,197,007 | 27,841,385 | 18,046,151 | 18,101,016 | 47,243,158 | 45,942,401 |
| Prior period restatement | (9,333,220) | | (550,911) | | (9,884,131) | |
| Net positon, beginning of year, as restated | 19,863,787 | 27,841,385 | 17,495,240 | 18,101,016 | 37,359,027 | 45,942,401 |
| Net position - ending of year | $20,500,530 | $29,197,007 | $17,450,525 | $18,046,151 | $37,951,055 | $ 47,243,158 |

**GOVERNMENT-WIDE FINANCIAL ANALYSIS** (Continued)

Net position of the Village's governmental activities decreased 29.79 percent from fiscal year 2015 to fiscal year 2016 ($29.2 million in 2015 to $20.5 million in 2016). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totals $1.8 million.

Net position of business-type activities decreased by 3.30 percent ($17.45 million in 2016 compared to $18.05 million in 2015). The Village generally can only use this net position to finance the continuing operations of the water and sanitation systems and the Metra parking operations.

Total revenues in year 2016 were $14,074,787, while expenses for the year totaled $13,482,759, reflecting a net increase in net position of $592,028, before the restatement of beginning net position related to the adoption of GASB Statement No. 68.

**Governmental Activities**

Revenues for governmental activities totaled $10.35 million, while expenses totaled $9.71 million.

The following are the areas of relevant changes in revenue and expenses:

- Charges for services decreased by approximately 7.97 percent from $1,907,458 to $1,755,480.

- Capital grants revenue of $606,418 was received in 2016 compared to $654,145 received in 2015, primarily related to the IEMA Sunset & Crest grant reimbursement and DCEO Jandus Cut-Off Grant.

- Property tax receipts (all governmental funds) decreased by approximately 0.45 percent from $2,829,185 to $2,816,328, primarily due to the reduction in property tax revenue associated with the Village TIFs.

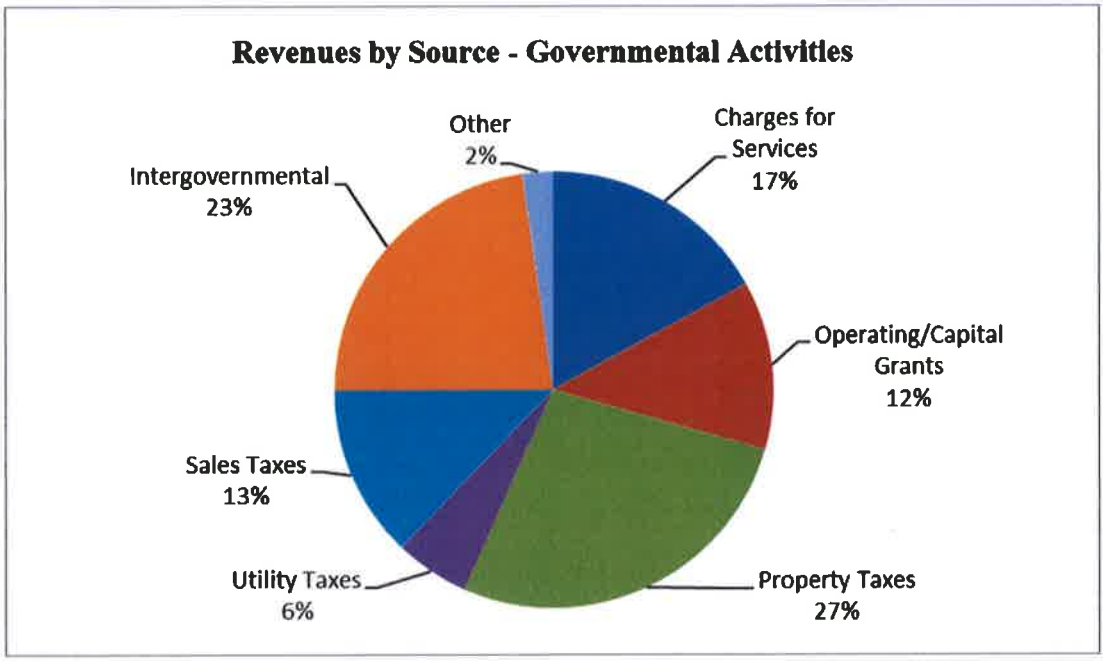
- General Fund intergovernmental revenue, comprised of State Sales Tax, State Income Tax, Personal Property Replacement Tax, and Local Use Tax increased by 1.66 percent from $3.62 million in fiscal 2015 to $3.68 million in fiscal 2016.

- The General Fund department's actual expenditures were over budget by $246,630, or 3.1 percent, contributing to the overall decrease in net position for the governmental activities.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS** (Continued)

**Governmental Activities** (Continued)

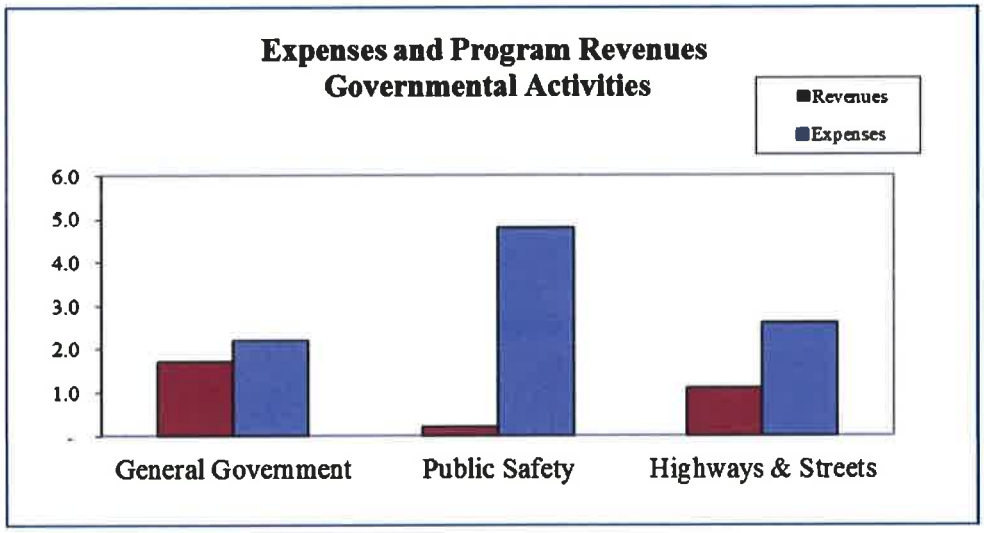
The following chart graphically depicts the major revenue sources of the Village. The chart identifies Property Taxes, Intergovernmental Revenue, and Charges for Services as areas of continued stable revenue production. The remaining revenue sources indicate that the combined Sales Taxes and Utility Taxes are also providing a dependable revenue source during the continued slow economic recovery. Intergovernmental revenue increased $26,736, or 1.15 percent, in this fiscal year as compared to last fiscal year. This increase is due primarily to an increase in local use tax.




The Expenses and Program Revenues Table on the following page identifies those governmental functions where program expenses greatly exceed revenues. Public Safety (Police) provides the personnel services required to protect the safety of the residents and visitors of the Village of Cary. Court Fines, although not a significant revenue source, continue to diminish. Therefore, other revenue sources continue to be explored to assist in providing for these services. Highways and Streets (Public Works) maintains the infrastructure of the Village with no significant revenue source.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS** (Continued)

**Governmental Activities** (Continued)




**Business-Type Activities**

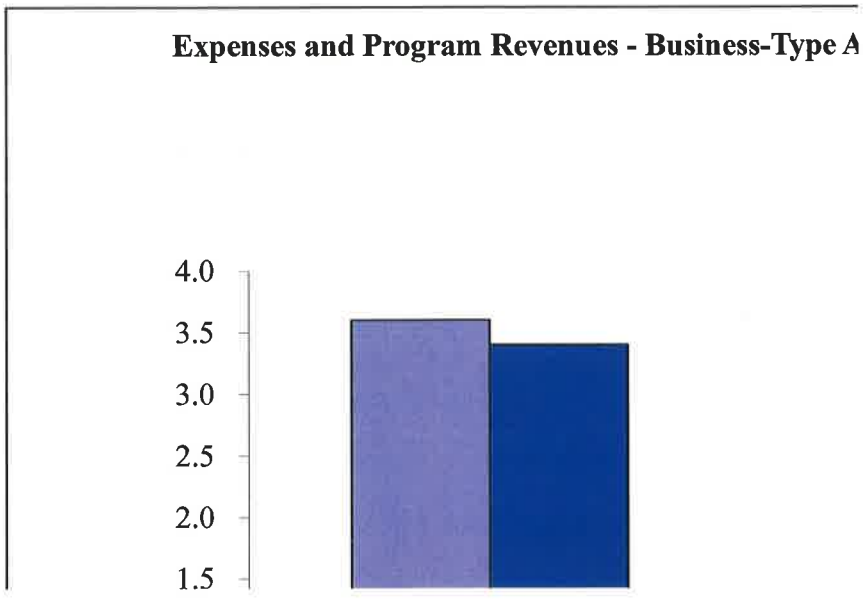
Program and General Revenues of the Village's business-type activities totaled $3,724,744 and program expenses totaled $3,769,459, which resulted in a net decrease in net position of $44,715 as compared to a net decrease in net position of $54,865 at the end of last fiscal year.

The water and sanitation systems indicated a decrease in revenues and relatively stable expenses when compared to the prior year. Water and sanitation charges for services were 3.3 percent less than budget during fiscal 2016, primarily due to decrease in quantity of water used and billed and old uncollected accounts receivable that written-off during the fiscal year.

The Parking Fund, which accounts for revenue and expenses related to the commuter parking lots, reflects stable operating revenue when comparing fiscal year 2016 to fiscal year 2015. This stabilization was anticipated and budgeted as the daily parking fee and quarterly permits fees were increased effective May 1, 2012, to provide for the purchase of six new pay machines. The Parking Fund expenses were $148,717 for fiscal 2016, as compared to $129,734 for fiscal year 2015. The increase was due to initial engineering and design costs related to the new train station project.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS** (Continued)

**Business-Type Activities** (Continued)




The above graph compares program revenues to expenses for water and sanitation operations and parking operations. The Water and Sanitation Fund operation reflected a net operating loss of $369,297 after a charge for depreciation in the amount of $1,239,994 and anticipated capital expenditures. The Parking Fund generated a net operating income of $85,098 after a charge for depreciation of $31,577.

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

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

**Governmental Funds**

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

As of the end of the current fiscal year, the governmental funds reported combined ending fund balances of $13,589,313, a decrease of $90,286 over the prior year fund balance of $13,679,599.

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS** (Continued)

**Governmental Funds** (Continued)

The major Governmental Funds' changes in fund balance were as follows:

The General Fund reported an increase in fund balance of $152,645 for the fiscal year. Actual revenues were 1.6 percent under budget due to an overall decrease in communication tower rents and infrastructure maintenance fee revenue. Actual expenditures for the General Fund were 3.1 percent greater than budgeted for this fiscal year 2016, primarily due to additional police overtime incurred for police vacancies and FMLA leaves. In addition, Police Pension Fund payments are $200,000 higher than budget due to a one-time Board approved transfer under the Village's fund balance policy. This amount represents the approximate excess of revenues over expenditures in the General Fund at the end of the prior fiscal year.

The Infrastructure Capital Improvements Fund, which includes Motor Fuel Tax activity, reported a net decrease of $897,718 for this fiscal year. The Village completed its annual Road Program and other major budgeted road improvements as planned during fiscal year 2016.

Motor Fuel Tax funds, provided by the State, can only be used to replace, maintain, or improve the Village roads. During the fiscal year 2016, the fiscal year 2016 Road Program was budgeted at $1.5 million and actual expenditures were $1.39 million for the Village neighborhood streets, curbs, gutters and other related areas of need.

The Non-Major Governmental Funds reflected an increase in fund balance of $654,787. A portion of the revenue received in these funds is being reserved for future projects, equipment replacement and debt service.

**Proprietary Funds**

The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Village reports the Water and Sanitation Fund as a major proprietary fund. This fund accounts for all of the operations of the municipal water and sewer systems. Water is pumped from nine Village owned and operated municipal wells. Water is sold to all municipal customers at a rate of $4.04 per thousand gallons. In addition, municipal customers were charged $3.31 per thousand gallons of water usage for the maintenance of the Village-wide wastewater sewerage system. Also, each metered customer is charged one (1) base fee per month/per meter. The current base fee is $2.27 per month/per meter.

## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (Continued)

**Proprietary Funds** (Continued)

The Village's intention is to operate the Water and Sanitation Fund on a breakeven basis. There was an operating deficit during the current fiscal year of $369,297, as compared to an operating deficit of $290,927 in the prior fiscal year, before net non-operating revenue. The decrease was due in part to a decrease in charges for services based on usage and old accounts receivable written off, and an increase in operating expenses, including personnel benefits and professional services.

The Village operates the Metra commuter parking lots located in downtown Cary. The lots provide approximately 616 parking spaces for residents of Cary and surrounding communities who utilize Metra to commute to the City of Chicago and other points in between. These lots produced an operating net income of $85,098 in the current fiscal year, and an operating net income of $92,676 in the prior fiscal year, before non-operating revenue. The commuter lots are continually improved and maintained to reflect the Village's commitment to the commuters who use the facilities. Preliminary costs related to the new train station project were incurred during the fiscal year.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The Village Board traditionally passes the appropriations ordinance in the first quarter of the fiscal year as required by The Illinois State Statutes. If necessary, the Village Board could change line item appropriations where necessary.

During 2016, there were no approved budget amendments. The April 30, 2016, original and final budgeted revenues for the General Fund totaled $8,446,257, while actual revenues totaled $8,314,831, due in large part to the decrease in the revenue received from communication tower rents and infrastructure maintenance fees.

The General Fund actual expenditures for the year of $8,162,186 were $246,630 greater than budgeted expenditures of $7,915,556. Overall, certain departments such as Police were greater in personnel costs including benefits due to the subsequent settling of the police labor contract and overtime incurred for vacancies and FMLA leaves. In addition, a one-time Board approved additional police pension fund payment of $200,000 to the Police Pension Fund was transferred based on fund balance policy. Although the General Fund actual expenditures are greater than budget, management in all departments continue efforts on cost containment and a very tight control on the purchase of commodities to offset unanticipated expenditures and revenue shortfalls.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

The Village's investment in capital assets for its governmental and business type activities as of April 30, 2016, was $34.01 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, land improvements, vehicles, machinery and equipment, and infrastructure. The total increase in the Village's investment in capital assets for the current fiscal year was $2,287,184.

| | Capital Assets, Net of Depreciation (in Millions) | | | | | |
|---|---|---|---|---|---|---|
| | Governmental Activities | | Business-Type Activities | | Totals | |
| | **2016** | 2015 | **2016** | 2015 | **2016** | 2015 |
| Land | **$ 0.66** | $ 0.51 | **$ 0.36** | $ 0.36 | **$ 1.02** | $ 0.87 |
| Land Improvements | | - | **0.08** | 0.09 | **0.08** | 0.09 |
| Buildings and Improvements | **2.96** | 3.07 | **3.75** | 4.12 | **6.71** | 7.19 |
| Vehicles | **0.64** | 0.78 | **0.23** | 0.23 | **0.87** | 1.01 |
| Machinery and Equipment | **0.26** | 0.19 | **0.11** | 0.18 | **0.37** | 0.37 |
| Infrastructure | **16.09** | 15.16 | **8.87** | 8.93 | **24.96** | 24.09 |
| Total | **$20.61** | $19.71 | **$13.40** | $13.91 | **$34.01** | $33.62 |

This year's major projects included:

2015 Residential Roads Improvements

Water & Sanitation Fund - Water Meters, Water Tower #3 Painting

Water & Sanitation Fund - Liftstation Pumps & Upgrades

Equipment - 10 Ton Plow Truck, C-Max Hybrid

Land Acquisition - Sunset & Crest Project

During the fiscal year 2016, the Village spent $2.28 million on capital improvements included in the budget of $3.58 million for capital projects, principally for the infrastructure construction projects throughout the Village. Some of the specific projects include the annual Major Road Construction Project and Village-wide water meter replacements. The fiscal year 2017 capital budget includes $2.06 million for capital projects, principally corridor improvements, Sunset and Crest improvements and major equipment purchases.

Additional information on the Village's capital assets can be found in Note 6 on pages 37-38 of this report.

## CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

### Debt Administration

At year-end, the Village of Cary had total outstanding long-term debt of $7.2 million. The chart below indicates that $3.9 million of the outstanding debt is within the business-type activities category (water and sanitation systems). The governmental activities General Obligation fifteen-year bonds, with an amount outstanding of $3.3 million, were issued in October, 2009 for the purpose of resurfacing of Village roads and streets during the three fiscal years of 2011, 2012 and 2013.

| | Long-Term Debt Outstanding (in Millions) | | | | | |
|---|---|---|---|---|---|---|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| General Obligation Bonds | $ 3.3 | $ 3.6 | $ - | $ - | $ 3.3 | $ 3.6 |
| Revenue Bonds and IEPA Note | - | - | 3.9 | 4.7 | 3.9 | 4.7 |
| Total | $ 3.3 | $ 3.6 | $ 3.9 | $ 4.7 | $ 7.2 | $ 8.3 |

The Village has an Aa3 rating from Moody's Investor Services for the Waterworks and Sewerage Revenue bonds. The General Obligation Bonds are rated higher at Aa2. Additional information on the Village of Cary's long-term water and sanitation debt can be found in Note 7 on pages 39 - 43 of this report.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Village's elected and appointed officials considered many factors when setting the fiscal year 2017 budget, tax rates, and fees charged for its governmental and business-type activities.

One of those factors is the economy. Some economic indicators show a continued slow recovery from the 2008-2009 recession as unemployment rates drop slightly. Interest rates continue to be low with no immediate signs of increasing in the near future. Recent trending of key revenues has shown overall stable or slightly increased levels. Because of this, the Village budgeted for a slight growth in certain revenues.

It is anticipated that the Village's contribution to the Intergovernmental Risk Management Agency (IRMA) for workmen's compensation, general liability and property insurance coverage will continue to increase as well as health insurance costs.

All of these factors were taken in consideration during the preparation of the annual budget. The Village Board adopted a General Fund budget for Fiscal 2017 of $8,316,624 budgeted for revenues, and $8,316,025 budgeted for expenditures.

Overall, the adopted fiscal 2017 budget has estimated revenues of $15.6 million, and estimated expenditures of $20.0 million, when all funds are combined.

The goals continue to be to minimize the financial burden on the Village taxpayers, to continue identifying cost cutting strategies and opportunities, responsibly utilize Village reserves when necessary, and proactively manage the Village in a manner that will maximize the level of service provided with the current level of resources.

## REQUESTS FOR INFORMATION

This Comprehensive Annual Financial Report is designed to provide a general overview of the Village of Cary's financial condition for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Village Administrator, Village of Cary, 655 Village Hall Drive, Village of Cary, Illinois, 60013.

# BASIC FINANCIAL STATEMENTS

**Village of Cary, Illinois**
**Statement of Net Position**
**April 30, 2016**

| | Governmental Activities | Business-type Activities | Total |
|---|---|---|---|
| **Assets** | | | |
| Current assets: | | | |
| Cash and investments | $ 12,620,190 | $ 5,028,240 | **$ 17,648,430** |
| Receivables - net of allowances | 4,316,485 | 701,849 | **5,018,334** |
| Prepaids | 643,420 | 663,519 | **1,306,939** |
| Land held for resale | 369,000 | - | **369,000** |
| Restricted cash and investments | - | 2,393,437 | **2,393,437** |
| **Total current assets** | 17,949,095 | 8,787,045 | **26,736,140** |
| Noncurrent assets: | | | |
| Capital assets: | | | |
| Nondepreciable assets | 655,916 | 356,539 | **1,012,455** |
| Depreciable assets | 27,142,900 | 38,651,669 | **65,794,569** |
| Accumulated depreciation | (7,191,757) | (25,609,605) | **(32,801,362)** |
| **Total capital assets** | 20,607,059 | 13,398,603 | **34,005,662** |
| Other assets: | | | |
| Investment in joint venture | 180,191 | - | **180,191** |
| **Total noncurrent assets** | 20,787,250 | 13,398,603 | **34,185,853** |
| **Total assets** | $ 38,736,345 | $ 22,185,648 | **$ 60,921,993** |
| **Deferred Outflows of Resources** | | | |
| Deferred loss on refunding | $ - | $ 36,857 | **$ 36,857** |
| Pension-related | 1,678,220 | 298,864 | **1,977,084** |
| **Total deferred outflows of resources** | $ 1,678,220 | $ 335,721 | **$ 2,013,941** |

See accompanying notes.



| | Governmental Activities | Business-type Activities | Total |
|---|---|---|---|
| **Liabilities** | | | |
| Current liabilities: | | | |
| Accounts payable | $ 507,698 | $ 242,377 | **$ 750,075** |
| Accrued payroll | 75,351 | 20,065 | **95,416** |
| Benefits payable | 79,101 | 88 | **79,189** |
| Deposits payable | 864,707 | - | **864,707** |
| Accrued interest payable | 45,209 | 11,458 | **56,667** |
| Unearned revenues | 4,644 | - | **4,644** |
| Compensated absences payable | 43,485 | 7,379 | **50,864** |
| General obligation bonds payable | 310,000 | - | **310,000** |
| Revenue bonds payable | - | 671,979 | **671,979** |
| **Total current liabilities** | 1,930,195 | 953,346 | **2,883,541** |
| Noncurrent liabilities: | | | |
| Net pension obligation | 10,563,467 | 802,051 | **11,365,518** |
| Net OPEB obligation | 82,998 | - | **82,998** |
| Compensated absences payable | 173,939 | 32,515 | **206,454** |
| General obligation bonds payable | 3,010,000 | - | **3,010,000** |
| Revenue bonds payable | - | 3,270,276 | **3,270,276** |
| **Total noncurrent liabilities** | 13,830,404 | 4,104,842 | **17,935,246** |
| **Total liabilities** | 15,760,599 | 5,058,188 | **20,818,787** |
| **Deferred Inflows of Resources** | | | |
| Pension-related | 1,325,155 | 12,656 | **1,337,811** |
| Property taxes | 2,828,281 | - | **2,828,281** |
| **Total deferred inflows of resources** | 4,153,436 | 12,656 | **4,166,092** |
| **Net Position** | | | |
| Net investment in capital assets | 17,287,059 | 9,493,205 | **26,780,264** |
| Restricted - school crossing | 4,744 | - | **4,744** |
| Restricted - audit | 20,423 | - | **20,423** |
| Restricted - unemployment | 22,874 | - | **22,874** |
| Restricted - ESDA | 18,951 | - | **18,951** |
| Restricted - TIF | 832,789 | - | **832,789** |
| Restricted - debt service | - | 1,710,000 | **1,710,000** |
| Restricted - nonexpendable revolving loan | 502,893 | - | **502,893** |
| Unrestricted | 1,810,797 | 6,247,320 | **8,058,117** |
| **Total net position** | $ 20,500,530 | $ 17,450,525 | **$ 37,951,055** |

**Village of Cary, Illinois**
**Statement of Activities**
**For the Year Ended April 30, 2016**

| Functions/Programs | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions | Net (Expense) Revenue and Changes in Net Position: Governmental Activities | Net (Expense) Revenue and Changes in Net Position: Business-type Activities | Net (Expense) Revenue and Changes in Net Position: Total |
|---|---|---|---|---|---|---|---|
| Governmental activities: | | | | | | | |
| General and administrative | $ 2,256,285 | $ 1,545,343 | $ 200,000 | $ - | $ (510,942) | $ - | **$ (510,942)** |
| Public safety | 4,799,002 | 207,788 | - | - | (4,591,214) | - | **(4,591,214)** |
| Highways and streets | 2,562,140 | 2,349 | 486,301 | 606,418 | (1,467,072) | - | **(1,467,072)** |
| Interest on long-term debt | 95,873 | - | - | | (95,873) | - | **(95,873)** |
| **Total governmental activities** | 9,713,300 | 1,755,480 | 686,301 | 606,418 | (6,665,101) | - | **(6,665,101)** |
| Business-type activities: | | | | | | | |
| Water and sanitation | 3,620,742 | 3,426,163 | - | - | - | (194,579) | **(194,579)** |
| Parking | 148,717 | 233,815 | - | - | - | 85,098 | **85,098** |
| **Total business-type activities** | 3,769,459 | 3,659,978 | - | - | - | (109,481) | **(109,481)** |
| **Total primary government** | $ 13,482,759 | $ 5,415,458 | $ 686,301 | $ 606,418 | (6,665,101) | (109,481) | **(6,774,582)** |
| General revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property | | | | | 2,816,328 | - | **2,816,328** |
| Sales | | | | | 1,320,741 | - | **1,320,741** |
| Utility | | | | | 577,822 | - | **577,822** |
| Intergovernmental: | | | | | | | |
| Income taxes | | | | | 1,851,995 | - | **1,851,995** |
| Local use taxes | | | | | 423,950 | - | **423,950** |
| Replacement taxes | | | | | 82,518 | - | **82,518** |
| Investment income | | | | | 83,833 | 64,766 | **148,599** |
| Miscellaneous | | | | | 144,657 | - | **144,657** |
| **Total general revenues** | | | | | 7,301,844 | 64,766 | **7,366,610** |
| **Changes in net position** | | | | | 636,743 | (44,715) | **592,028** |
| Net position, beginning of the year, as previously reported | | | | | 29,197,007 | 18,046,151 | **47,243,158** |
| Prior period restatement | | | | | (9,333,220) | (550,911) | **(9,884,131)** |
| Net position, beginning of the year, as restated | | | | | 19,863,787 | 17,495,240 | **37,359,027** |
| Net position, end of the year | | | | | $ 20,500,530 | $ 17,450,525 | **$ 37,951,055** |

See accompanying notes.

# Village of Cary, Illinois
## Balance Sheet - Governmental Funds
## April 30, 2016

| | General | Infrastructure Capital Improvements | Nonmajor Governmental Funds | **Total Governmental Funds** |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and investments | $ 5,195,199 | $ 881,567 | $ 6,543,424 | **$ 12,620,190** |
| Receivables - net: | | | | |
| Taxes | 3,942,800 | 41,581 | 120,247 | **4,104,628** |
| Accounts | 137,804 | - | - | **137,804** |
| Other | 22,381 | 13,461 | 38,211 | **74,053** |
| Prepaid items | 565,554 | - | 77,866 | **643,420** |
| Land held for resale | 369,000 | - | - | **369,000** |
| **Total assets** | $ 10,232,738 | $ 936,609 | $ 6,779,748 | **$ 17,949,095** |
| **Liabilities** | | | | |
| Accounts payable | $ 160,977 | $ 257,631 | $ 89,090 | **$ 507,698** |
| Accrued payroll | 75,351 | - | - | **75,351** |
| Benefits payable | 79,101 | - | - | **79,101** |
| Deposits payable | 839,707 | - | 25,000 | **864,707** |
| Unearned revenue | 3,644 | - | 1,000 | **4,644** |
| **Total liabilities** | 1,158,780 | 257,631 | 115,090 | **1,531,501** |
| **Deferred Inflows of Resources** | | | | |
| Property taxes | 2,750,714 | - | 77,567 | **2,828,281** |
| **Fund Balances** | | | | |
| Nonspendable | 934,554 | - | 77,866 | **1,012,420** |
| Restricted | 66,992 | - | 1,335,682 | **1,402,674** |
| Committed | 1,653,371 | - | - | **1,653,371** |
| Assigned | - | 678,978 | 5,173,543 | **5,852,521** |
| Unassigned | 3,668,327 | - | - | **3,668,327** |
| **Total fund balances** | 6,323,244 | 678,978 | 6,587,091 | **13,589,313** |
| **Total liabilities, deferred inflows of resources and fund balances** | $ 10,232,738 | $ 936,609 | $ 6,779,748 | **$ 17,949,095** |

See accompanying notes.

## Village of Cary, Illinois
## Reconciliation of Balance Sheet of Governmental Funds to the Statement of Net Position
## April 30, 2016

| | |
|---|---|
| Total fund balance - governmental funds (page 8) | $ 13,589,313 |
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Certain assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | |
| Capital assets | 20,607,059 |
| Investment in joint venture | 180,191 |
| Differences between expected and actual experience, assumption changes, and net differences between projected and actual earnings for the Illinois Municipal Retirement Fund and the Police Pension Plan are recognized as deferred outflows or deferred inflows in the statement of net position | |
| Deferred outflows - pension-related items | 1,678,220 |
| Deferred inflows - pension-related items | (1,325,155) |
| Certain liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds. These liabilities consist of: | |
| General obligation bonds payable | (3,320,000) |
| Compensated absences payable | (217,424) |
| Net pension obligation | (10,563,467) |
| Net other post-employment benefit obligation | (82,998) |
| Interest payable | (45,209) |
| Net position of governmental activities (page 5) | $ 20,500,530 |

See accompanying notes.

## Village of Cary, Illinois
## Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
## For the Year Ended April 30, 2016

| | General | Infrastructure Capital Improvements | Nonmajor Governmental Funds | **Total Governmental Funds** |
|---|---|---|---|---|
| Revenues: | | | | |
| Taxes | $ 4,066,874 | $ - | $ 648,017 | **$ 4,714,891** |
| Licenses and permits | 264,194 | - | - | **264,194** |
| Intergovernmental | 2,352,776 | 491,658 | 697,624 | **3,542,058** |
| Charges for services | 1,066,681 | - | 508,000 | **1,574,681** |
| Fines and forfeits | 164,152 | - | - | **164,152** |
| Investment income | 84,914 | 3,921 | 9,493 | **98,328** |
| Miscellaneous | 315,240 | - | 31,875 | **347,115** |
| **Total revenues** | 8,314,831 | 495,579 | 1,895,009 | **10,705,419** |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 1,736,917 | - | - | **1,736,917** |
| Public safety | 4,481,464 | - | - | **4,481,464** |
| Highways and streets | 1,943,805 | 1,449,155 | - | **3,392,960** |
| Capital outlay | - | - | 787,275 | **787,275** |
| Debt service: | | | | |
| Principal retirement | - | - | 300,000 | **300,000** |
| Interest and fiscal charges | - | - | 97,089 | **97,089** |
| **Total expenditures** | 8,162,186 | 1,449,155 | 1,184,364 | **10,795,705** |
| **Revenues over (under) expenditures before other financing sources (uses)** | 152,645 | (953,576) | 710,645 | **(90,286)** |
| Other financing sources (uses): | | | | |
| Transfers in | - | 55,858 | 750,000 | **805,858** |
| Transfers out | - | - | (805,858) | **(805,858)** |
| **Total other financing sources (uses)** | - | 55,858 | (55,858) | **-** |
| **Net changes in fund balances** | 152,645 | (897,718) | 654,787 | **(90,286)** |
| Fund balances, beginning of the year | 6,170,599 | 1,576,696 | 5,932,304 | **13,679,599** |
| Fund balances, end of the year | $ 6,323,244 | $ 678,978 | $ 6,587,091 | **$ 13,589,313** |

See accompanying notes.

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

| | | |
|---|---|---|
| Amounts reported for governmental activities in the statement of activities (pages 6 and 7) are different because: | | |
| Net changes in fund balances - total governmental funds (page 10) | $ | (90,286) |
| Governmental funds report capital outlays as expenditures, however, they are capitalized and depreciated in the statement of activities. | | 1,670,017 |
| Depreciation on capital assets is reported as an expense in the statement of activities. | | (779,879) |
| Revenue in the statement of activities that do not yet provide current financial resources are recorded as deferred inflows in the fund financial statements. | | (341,206) |
| The change in the Village's share of the joint venture does not result in financial resources and is not recorded in the governmental funds. | | (14,496) |
| The issuance of long-term debt (bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount represents current year principal paid as there were no proceeds in the current year. | | 300,000 |
| The net effect of changes in the net pension liability is reported as an expense in the statement of activities. | | (80,309) |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of: | | |
| Increase in compensated absences payable | | (1,136) |
| Increase in other post-employment benefit obligation | | (27,179) |
| Decrease in interest payable | | 1,217 |
| Change in net position of governmental activities (page 7) | $ | 636,743 |

See accompanying notes.

**Village of Cary, Illinois**
**General Fund**
**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Major Funds**
**For the Year Ended April 30, 2016**

| | Original Budget | Final Budget | **Actual** | Variance Positive (Negative) |
|---|---|---|---|---|
| Revenues: | | | | |
| Taxes | $ 4,077,560 | $ 4,077,560 | **$ 4,066,874** | $ (10,686) |
| Licenses and permits | 297,500 | 297,500 | **264,194** | (33,306) |
| Intergovernmental | 2,244,347 | 2,244,347 | **2,352,776** | 108,429 |
| Charges for services | 1,220,100 | 1,220,100 | **1,066,681** | (153,419) |
| Fines and forfeitures | 191,500 | 191,500 | **164,152** | (27,348) |
| Investment income | 90,000 | 90,000 | **84,914** | (5,086) |
| Miscellaneous | 325,250 | 325,250 | **315,240** | (10,010) |
| **Total revenues** | 8,446,257 | 8,446,257 | **8,314,831** | (131,426) |
| Expenditures: | | | | |
| General government | 1,670,916 | 1,670,916 | **1,736,917** | (66,001) |
| Public safety | 4,244,585 | 4,244,585 | **4,481,464** | (236,879) |
| Highways and streets | 2,000,055 | 2,000,055 | **1,943,805** | 56,250 |
| **Total expenditures** | 7,915,556 | 7,915,556 | **8,162,186** | (246,630) |
| **Revenues over expenditures** | $ 530,701 | $ 530,701 | **152,645** | $ (378,056) |
| Fund balance, beginning of the year | | | **6,170,599** | |
| Fund balance, end of the year | | | **$ 6,323,244** | |

See accompanying notes.

**Village of Cary, Illinois**
**Statement of Net Position - Proprietary Funds**
**April 30, 2016**

| Assets | Water and Sanitation | Nonmajor Enterprise Parking | Totals |
|---|---|---|---|
| Current assets: | | | |
| Cash and cash equivalents | $ 2,694,505 | $ 788,406 | **$ 3,482,911** |
| Investments | 1,344,329 | 201,000 | **1,545,329** |
| Receivables - net: | | | |
| Accounts | 670,822 | - | **670,822** |
| Other | 31,027 | - | **31,027** |
| Prepaid items | 650,691 | 12,828 | **663,519** |
| Restricted cash and cash equivalents | 2,393,437 | - | **2,393,437** |
| **Total current assets** | 7,784,811 | 1,002,234 | **8,787,045** |
| Noncurrent assets: | | | |
| Capital assets | | | |
| Nondepreciable | 356,539 | - | **356,539** |
| Depreciable | 38,242,487 | 409,182 | **38,651,669** |
| Accumulated depreciation | (25,295,837) | (313,768) | **(25,609,605)** |
| **Total noncurrent assets** | 13,303,189 | 95,414 | **13,398,603** |
| **Total assets** | 21,088,000 | 1,097,648 | **22,185,648** |
| **Deferred Outflows of Resources** | | | |
| Deferred loss on refunding | 36,857 | - | **36,857** |
| Pension-related | 298,864 | - | **298,864** |
| **Total deferred outflow of resources** | 335,721 | - | **335,721** |

See accompanying notes.



| Liabilities | Water and Sanitation | Nonmajor Enterprise Parking | Totals |
|---|---|---|---|
| Current liabilities: | | | |
| Accounts payable | $ 238,233 | $ 4,144 | **$ 242,377** |
| Accrued payroll | 19,388 | 677 | **20,065** |
| Benefits payable | - | 88 | **88** |
| Compensated absences payable | 7,379 | - | **7,379** |
| Payable from restricted assets: | | | |
| Accrued interest payable | 11,458 | - | **11,458** |
| Revenue bonds payable | 290,000 | - | **290,000** |
| IEPA revenue bonds payable | 381,979 | - | **381,979** |
| **Total current liabilities** | 948,437 | 4,909 | **953,346** |
| Noncurrent liabilities: | | | |
| Compensated absences payable | 32,515 | - | **32,515** |
| Net pension liability | 802,051 | - | **802,051** |
| Revenue bonds payable | 305,000 | - | **305,000** |
| IEPA revenue bonds payable | 2,965,276 | - | **2,965,276** |
| **Total noncurrent liabilities** | 4,104,842 | - | **4,104,842** |
| **Total liabilities** | 5,053,279 | 4,909 | **5,058,188** |
| **Deferred Inflows of Resources** | | | |
| Pension-related | 12,656 | - | **12,656** |
| **Net Position** | | | |
| Net investment in capital assets | 9,397,791 | 95,414 | **9,493,205** |
| Restricted - debt | 1,710,000 | - | **1,710,000** |
| Unrestricted | 5,249,995 | 997,325 | **6,247,320** |
| **Total net position** | $ 16,357,786 | $ 1,092,739 | **$ 17,450,525** |

**Village of Cary, Illinois**
**Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds**
**For the Year Ended April 30, 2016**

| | Water and Sanitation | Nonmajor Enterprise Parking | Totals |
|---|---|---|---|
| Operating revenues: | | | |
| Charges for services | $ 3,098,769 | $ 233,815 | **$ 3,332,584** |
| Operating expenses: | | | |
| Administration | 116,186 | - | **116,186** |
| Operations | 2,111,886 | 117,140 | **2,229,026** |
| Depreciation | 1,239,994 | 31,577 | **1,271,571** |
| **Total operating expenses** | 3,468,066 | 148,717 | **3,616,783** |
| **Operating income (loss)** | (369,297) | 85,098 | **(284,199)** |
| Nonoperating revenue (expense): | | | |
| Other income | 174,914 | - | **174,914** |
| Connection fees | 152,480 | - | **152,480** |
| Investment income | 62,406 | 2,360 | **64,766** |
| Interest and fiscal charges | (152,676) | - | **(152,676)** |
| **Total nonoperating revenue (expense)** | 237,124 | 2,360 | **239,484** |
| **Changes in net position** | (132,173) | 87,458 | **(44,715)** |
| Total net position, beginning of the year, as previously reported | 17,040,870 | 1,005,281 | **18,046,151** |
| Prior period restatement | (550,911) | - | **(550,911)** |
| Total net position, beginning of the year, as restated | 16,489,959 | 1,005,281 | **17,495,240** |
| Total net position, end of the year | $ 16,357,786 | $ 1,092,739 | **$ 17,450,525** |

See accompanying notes.

**Village of Cary, Illinois**
**Statement of Cash Flows - Proprietary Funds**
**For the Year Ended April 30, 2016**

| | Water and Sanitation | Nonmajor Enterprise Parking | **Totals** |
|---|---|---|---|
| Cash flows from operating activities: | | | |
| Receipts from customers and users | $ 3,495,638 | $ 255,693 | **$ 3,751,331** |
| Payments to suppliers | (785,502) | (69,128) | **(854,630)** |
| Payments to employees | (796,727) | (37,562) | **(834,289)** |
| **Net cash from operating activities** | 1,913,409 | 149,003 | **2,062,412** |
| Cash flows from capital and related financing activities: | | | |
| Purchases of capital assets | (757,167) | - | **(757,167)** |
| Principal paid on debt | (827,349) | - | **(827,349)** |
| Interest paid on debt | (144,302) | - | **(144,302)** |
| **Net cash from capital and related financing activities** | (1,728,818) | - | **(1,728,818)** |
| Cash flows from investing activities: | | | |
| Purchase of investments | (452,493) | (450,000) | **(902,493)** |
| Sale of investments | 867,841 | 551,826 | **1,419,667** |
| Interest received | 62,406 | 2,360 | **64,766** |
| **Net cash from investing activities** | 477,754 | 104,186 | **581,940** |
| **Net change in cash and cash equivalents** | 662,345 | 253,189 | **915,534** |
| Balance, beginning of the year | 4,425,597 | 535,217 | **4,960,814** |
| Balance, end of the year | $ 5,087,942 | $ 788,406 | **$ 5,876,348** |

(cont'd)

**Village of Cary, Illinois**
**Statement of Cash Flows - Proprietary Funds** (cont'd)
**For the Year Ended April 30, 2016**

| | Water and Sanitation | Nonmajor Enterprise Parking | **Totals** |
|---|---|---|---|
| Reconciliation of operating income (loss) to net cash from operating activities: | | | |
| Operating income (loss) | $ (369,297) | $ 85,098 | **$ (284,199)** |
| Adjustments to reconcile operating income (loss) to net cash from operating activities: | | | |
| Other income | 174,914 | - | **174,914** |
| Connection fees | 152,480 | - | **152,480** |
| Depreciation expense | 1,239,994 | 31,577 | **1,271,571** |
| Changes in assets and liabilities: | | | |
| Accounts receivable | 69,475 | 21,878 | **91,353** |
| Prepaids | 128,275 | 7,068 | **135,343** |
| Accounts payable | 31,306 | 4,083 | **35,389** |
| Accrued payroll | (30,693) | (613) | **(31,306)** |
| Benefits payable | - | (88) | **(88)** |
| Compensated absences | 1,112 | - | **1,112** |
| Pension-related deferred outflows | (298,864) | - | **(298,864)** |
| Pension-related deferred inflows | 12,656 | - | **12,656** |
| Net pension liability | 802,051 | - | **802,051** |
| **Net cash from operating activities** | $ 1,913,409 | $ 149,003 | **$ 2,062,412** |

See accompanying notes.

**Village of Cary, Illinois**
**Statement of Net Position**
**Fiduciary Funds - Trust and Agency Funds**
**April 30, 2016**

| | Pension Trust Fund | Agency Funds |
|---|---|---|
| **Assets** | | |
| Cash and cash equivalents | $ 6,343 | $ 2,245,272 |
| Investments: | | |
| Money market funds | 192,898 | - |
| Fixed income | 5,184,725 | - |
| Stock equities | 2,325,652 | - |
| Mutual funds | 1,719,020 | - |
| Receivables: | | |
| Taxes | - | 1,490,000 |
| Accrued interest | 63,470 | - |
| Prepaids | 4,524 | - |
| **Total assets** | $ 9,496,632 | $ 3,735,272 |
| **Liabilities** | | |
| Accounts payable | $ 3,830 | $ - |
| Due to bondholders | - | 3,735,272 |
| **Total liabilities** | 3,830 | 3,735,272 |
| **Net Position** | | |
| Net position restricted for pension | $ 9,492,802 | $ - |

See accompanying notes.

**Village of Cary, Illinois**
**Statement of Changes in Net Position**
**Fiduciary Funds - Pension Trust Fund**
**For the Year Ended April 30, 2016**

| | |
|---|---|
| **Additions** | |
| Contributions: | |
| Employer | $ 785,340 |
| Participant | 227,529 |
| **Total contributions** | 1,012,869 |
| Investment income: | |
| Net depreciation in fair value of investments | (252,533) |
| Interest and dividend income | 294,793 |
| Less investment expenses | (18,807) |
| **Net investment income** | 23,453 |
| **Total additions** | 1,036,322 |
| **Deductions** | |
| Administration | 35,355 |
| Benefits and refunds: | |
| Benefits | 603,698 |
| Refunds | 9,473 |
| **Total deductions** | 648,526 |
| **Net increase in net position** | 387,796 |
| Net position restricted for pensions: | |
| Beginning of the year | 9,105,006 |
| End of the year | $ 9,492,802 |

See accompanying notes.

## Note 1 – Summary of Significant Accounting Policies

The Village of Cary, Illinois, incorporated in 1897, is a municipal corporation governed by an elected president and six-member Board of Trustees. The Village's major operations include police safety, highway and street maintenance and reconstruction, forestry, building code enforcement, public improvements, economic development, planning and zoning, water, sanitation and parking services, and general administrative services.

The more significant of the Village's accounting policies established in GAAP and used by the Village are described below.

### *Reporting Entity*

As defined by accounting principles generally accepted in the United States of America established by GASB, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

(a) Appointment of a voting majority of the component unit's board, and either (1) the ability to impose will by the primary government, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or

(b) Fiscal dependency on the primary government.

### *Police Pension Employees Retirement System*

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

**Note 1 – Summary of Significant Accounting Policies** (cont'd)

**Basis of Presentation**

***Government-wide Statements***

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

In the government-wide statement of net position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Village's net position is reported in three components:

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

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

Unrestricted net position – All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

The Village generally first utilizes restricted resources to finance qualifying activities.

The government-wide statement of activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, public safety, streets and roads, etc.). The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The statement of activities reduces gross expenses (including depreciation) by related program revenues, which include a) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

**Note 1 – Summary of Significant Accounting Policies** (cont'd)

**Basis of Presentation** (cont'd)

***Government-wide Statements*** (cont'd)

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

The Village does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.).

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

Fiduciary funds are excluded from the government-wide financial statements.

***Fund Financial Statements***

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum quantitative criteria for the determination of major funds. The Village may elect to add funds, as major funds, which either had debt outstanding or a specific community focus. The nonmajor funds are combined in a column in the fund financial statements.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the Village:

***Governmental Funds***

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Village:

**General fund** is the general operating fund of the Village. It is used to account for all financial resources except those accounted for in another fund. The General Fund is a major fund.

**Note 1 – Summary of Significant Accounting Policies** (cont'd)

**Basis of Presentation** (cont'd)

***Governmental Funds*** *(cont'd)*

**Capital projects funds** are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Infrastructure Capital Improvements Fund, a major fund, is used to account for the acquisition and improvements of Village infrastructure. The Village also maintains three nonmajor capital project funds – the Other Capital Projects Fund, the TIF Capital Project Fund and the Vehicle and Equipment Capital Project Fund.

**Debt service funds** are used to account for resources that are restricted, committed or assigned to expenditure for principal and interest. The Village maintains one nonmajor debt service fund.

**Permanent funds** are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the Village's programs. The Village maintains one nonmajor permanent fund.

***Proprietary Funds***

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Proprietary funds consist of Enterprise Funds and Internal Service Funds. The Village does not have any Internal Service Funds.

**Enterprise funds** are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

The Village maintains one major enterprise fund, the Water and Sanitation Fund which is used to account for the provision of potable water and wastewater treatment services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations and maintenance, financing and related debt service, billing and collection. The Village also maintains one nonmajor enterprise fund, the Parking Fund.

**Note 1 – Summary of Significant Accounting Policies** (cont'd)

**Basis of Presentation** (cont'd)

***Fiduciary Funds***

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

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

**Agency funds** are used to account for assets held by the Village in a purely custodial capacity. The Special Service Area #1 Fund is used to account for the collection of property taxes within Special Service Area #1 and payments of related special service area debt. The Special Service Area #2 Fund is used to account for the collection of property taxes within Special Service Area #2 and payment of related special service area debt. The Home Value Assistance Program Fund is used to account for the disbursement of $1,000,000 received from Meyer Material Company to 130 property owners as identified in the Conditional Use Permit dated February 19, 2008. The Fund has reimbursed up to $7,500 to most of the 130 property owner program participants for qualified, reimbursable home-improvement costs.

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

**Measurement Focus and Basis of Accounting**

***Measurement Focus***

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

On the government-wide statement of net position and the statement of activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

**Note 1 – Summary of Significant Accounting Policies** (cont'd)

**Measurement Focus and Basis of Accounting** (cont'd)

***Measurement Focus*** (cont'd)

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

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

Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

***Basis of Accounting***

In the government-wide statement of net position and statement of activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70.

A ninety-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for most noncurrent liabilities such as pensions, compensated absences, OPEB and general obligation bond principal and interest which are recognized when due.

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

**Note 1 – Summary of Significant Accounting Policies** (cont'd)

**Measurement Focus and Basis of Accounting** (cont'd)

***Basis of Accounting*** (cont'd)

All proprietary, pension trust and agency funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

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

**Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balances**

***Cash and Investments***

For the purpose of the proprietary funds' statement of cash flows, cash and cash equivalents are considered to be cash on hand, demand deposits, and all highly liquid investments with an original maturity of three months or less.

Investments are reported at fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

***Receivables***

Major receivable balances for governmental activities include property taxes, sales and use taxes, franchise taxes, and grants. Business-type activities report utility charges as their major receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

***Interfund Receivables, Payables and Activity***

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

**Note 1 – Summary of Significant Accounting Policies** (cont'd)

**Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balances** (cont'd)

***Prepaids/Inventories***

Governmental fund-type prepaid expenditures are recorded when consumed rather than paid. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. The governmental fund-type prepaid expenditures are recorded when consumed rather than when paid.

***Capital Assets***

Capital assets, which include land, buildings, vehicles, machinery, equipment and infrastructure, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary (enterprise) funds statements. Capital assets purchased or acquired with an original cost of $5,000 or more are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Capital assets are recorded at historical cost, or where historical cost is not available, estimated historical cost. Contributed assets are reported at fair market value as of the date received.

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

| | |
|---|---|
| Buildings and improvements | 10 – 45 Years |
| Vehicles | 2 – 12 Years |
| Machinery and equipment | 3 – 10 Years |
| Infrastructure | 10 – 40 Years |

GASB Statement No. 34 required the Village to report and depreciate new infrastructure assets effective with the beginning of its April 30, 2005, fiscal year. Infrastructure assets include roads, sidewalks, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are the largest asset class of the Village. Neither their historical cost nor related depreciation had historically been reported in the financial statements prior to FY 2005. Under GASB Statement No. 34, the Village was not required to retroactively restate infrastructure assets.

**Note 1 – Summary of Significant Accounting Policies** (cont'd)

**Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balances** (cont'd)

***Compensated Absences***

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

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

***Long-term Obligations***

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

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

***Deferred Outflows/Inflows of Resources and Unearned Revenue***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) so will not be recognized as an inflow of resources (revenue) until then.

**Note 1 – Summary of Significant Accounting Policies** (cont'd)

**Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balances** (cont'd)

***Deferred Outflows/Inflows of Resources and Unearned Revenue***

Unearned revenues also arise when resources are received by the Village before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when revenue recognition criteria are met or when the Village has a legal claim to the resources, the liability for unearned revenues is removed from the financial statements and revenue is recognized.

***Fund Balances***

Within the governmental fund types, the Village's fund balances are reported in one of the following classifications:

***Nonspendable*** – includes amounts that cannot be spent because they are either: a) not in spendable form; or b) legally or contractually required to be maintained intact.

***Restricted*** – includes amounts that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributions, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

***Committed*** – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Village's highest level of decision-making authority. Commitments are made through the adoption of an ordinance. Committed amounts cannot be used for any other purpose unless the Village removes or changes the specified action. The Village reports committed fund balance in the General Fund related to land conservancy funds. The Village's Board, through adoption of an ordinance, has committed these funds for operations and maintenance costs of the future recreation area to be built and dedicated by Meyer Material to the Village.

***Assigned*** – includes amounts that are constrained by the Village's *intent* to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by: a) the Village's Board itself; b) a body or official to which the Board has delegated the authority to assign amounts to be used for specific purposes. The Village's Board has not delegated the authority to any other body or official to assign amounts for a specific purpose within the general fund. Within the other governmental fund types (special revenue, debt service, capital projects) resources are assigned by the Board in accordance with the established fund purpose and approved budget / appropriation ordinance.

**Note 1 – Summary of Significant Accounting Policies** (cont'd)

**Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balances** (cont'd)

***Fund Balances*** (cont'd)

> ***Unassigned*** – includes the residual fund balance that has not been restricted, committed, or assigned within the general fund and deficit fund balances of other governmental funds.

Note 9 presents a detailed schedule of fund balance classifications.

**Minimum Fund Balance Policy**

The Village's policy manual states that the General Fund shall maintain a minimum fund balance of three months of the current fiscal year's operating expenditure budget. Currently calculated at 45% of budgeted General Fund expenditures, any unassigned fund balance in excess of 45% shall be transferred based on an annual recommendation of the Village Administrator, which is then formally approved by the Village Board.

In the General Fund, the Village considers restricted amounts to have been spent first when expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, followed by committed amounts, then assigned amounts. Unassigned amounts are used only after the other categories of fund balance have been fully utilized.

In governmental funds other than the General Fund, the Village considers restricted amounts to have been spent last. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Village will first use assigned amounts, followed by committed amounts then restricted amounts.

***Use of Accounting Estimates***

In preparation of the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

## Note 2 – Stewardship, Compliance and Accountability

### *Budgetary Information*

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriations are adopted for the general, capital projects, and enterprise funds. All annual appropriations lapse at fiscal year-end.

All departments of the Village submit requests for appropriation to the Village's Administrator so that a budget may be prepared. The budget is prepared by fund, function, and activity, and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year.

The proposed budget is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget.

The Administrator is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the governing body. Expenditures may not legally exceed budgeted appropriations at the fund level.

Actual expenditures exceeded budget in the following funds:

| Fund Name | Excess |
|---|---|
| General | $ 246,630 |
| Debt Service | 5,299 |

The excess was funded with existing fund balance.

## Note 3 – Deposits and Investments

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

Permitted Deposits and Investments – Statutes authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds.

**Note 3 – Deposits and Investments** (cont'd)

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

As of April 30, 2016, cash and investments consisted of the following:

| | | Fiduciary Activities | | |
|---|---|---|---|---|
| | Village | Pension Trust | Agency | Total |
| Cash and demand deposits | $ 6,837,707 | $ 6,343 | $ 2,245,272 | $ 9,089,322 |
| Certificates of deposit | 6,636,726 | - | - | 6,636,726 |
| The Illinois Funds | 5,271,501 | - | - | 5,271,501 |
| Money market funds | 1,295,933 | 192,898 | - | 1,488,831 |
| U.S. Treasury securities | - | 710,225 | - | 710,225 |
| U.S. Agency securities | - | 1,622,095 | - | 1,622,095 |
| Corporate debt securities | - | 2,195,616 | - | 2,195,616 |
| Municipal debt securities | - | 656,789 | - | 656,789 |
| Common stock - equity | - | 2,325,652 | - | 2,325,652 |
| Mutual funds - equity | - | 1,719,020 | - | 1,719,020 |
| | $ 20,041,867 | $ 9,428,638 | $ 2,245,272 | $ 31,715,777 |

**Note 3 – Deposits and Investments** (cont'd)

***The Illinois Funds***

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

***Village Disclosures***

***Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk***

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village's investment policy states that there should be maintenance of sufficient liquidity to meet operating requirements. Furthermore, to the extent possible, the Village shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Village will not directly invest in securities maturing more than two years from the date of purchase. Reserve funds may be invested in securities exceeding two years if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds. The maturities of the Village's investments in the Illinois Funds are less than one year and IMET Fund are less than three years.

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

*Custodial Credit Risk.* In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's investment policy states funds on deposit (checking accounts, certificates of deposit, etc.) in excess of FDIC limits must be secured by some form of collateral in the name of the Village held by an independent third party. At year-end, all deposits were properly collateralized and the Village deposits were not exposed to custodial credit risk. For an investment, this is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village's investment policy states that the Chief Financial Officer will have the responsibility for selecting safekeeping agents for securities unless physically held by the Chief Financial Officer. At year-end, the Village's investments in the Illinois Funds are not subject to custodial credit risk.

**Note 3 – Deposits and Investments** (cont'd)

***Village Disclosures*** (cont'd)

***Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk*** (cont'd)

*Concentration of Credit Risk.* This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy states that investments shall be diversified to the best of the Village's ability based on the type of funds invested and the cash flow needs of those funds. Diversification can be by type of investment, number of institutions invested in, and length of maturity. At year-end, the Village's investments in the Illinois Funds are not subject to concentration of credit risk because the Village owns pool shares rather than individual securities.

***Police Pension Fund (Fund) Disclosures***

***Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk***

*Interest Rate Risk.* The Fund's investment policy addresses interest rate risk by maintaining an average maturity of approximately 5 years within a range of 1 to 7 years. As of fiscal year-end, the Fund had the following fixed income investments and maturities:

| | | Investment Maturities (in Years) | | | |
|---|---|---|---|---|---|
| | Fair Value | Less Than One Year | 1 - 5 Years | 6 – 10 Years | More Than 10 Years |
| U.S. Treasury securities | $ 710,225 | $ - | $ 710,225 | $ - | $ - |
| U.S. Agency securities | 1,622,095 | 180,684 | 627,815 | 809,938 | 3,658 |
| Corporate debt securities | 2,195,616 | 143,709 | 1,111,633 | 940,274 | - |
| Municipal debt securities | 656,789 | - | 162,226 | 494,563 | - |
| | $ 5,184,725 | $ 324,393 | $ 2,611,899 | $ 2,244,775 | $ 3,658 |

*Credit Risk.* The Fund's investment policy helps limit exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. Other than attempting to invest in securities implicitly guaranteed by the United States Government and investment instruments authorized by State Statute, the Village's investment policy does not further limit investment choices. As of fiscal year-end, the Fund had the following fixed income investments and ratings:

**Note 3 – Deposits and Investments** (cont'd)

***Police Pension Fund (Fund) Disclosures*** (cont'd)

***Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk*** (cont'd)

| Moody's Ratings | U.S. Agency Securities | Corporate Debt Securities | Municipal Debt Securities |
|---|---|---|---|
| Aaa | $ 1,616,205 | $ - | $ 141,238 |
| Aa1 | - | - | 107,826 |
| Aa2 | - | 87,815 | 407,725 |
| A1 | - | 275,453 | - |
| A2 | - | 202,863 | - |
| A3 | - | 651,039 | - |
| Baa1 | - | 857,640 | - |
| Baa2 | - | 120,806 | - |
| NR | 5,890 | - | - |
| Total | $ 1,622,095 | $ 2,195,616 | $ 656,789 |
| Fair Value | $ 1,622,095 | $ 2,195,616 | $ 656,789 |

*Custodial Credit Risk.* The Fund's investment policy requires that all deposits in excess of federally insured limits be secured by collateral in order to protect deposits from default. For investments, the Fund's investment policy requires a custodian to accept possession of securities for safekeeping. At year-end, the Fund was not exposed to custodial credit risk for its deposits or investments.

*Concentration Credit Risk.* Additionally at year-end, the Fund has $1,719,020 invested in mutual funds. The Fund's investment policy states that assets shall be diversified in order to minimize the risk of losses. Furthermore, the Fund's investment policy states that the pension fund with net assets of $5,000,000 or more can invest in statutorily approved equity investments but shall not exceed 45% of the market value of the pension fund's net position. The remaining fund assets are to be allocated to fixed income instruments and only put into cash and cash equivalents in order to maintain appropriate cash flows when necessary.

At year-end, the Fund's investments fall within the acceptable range thresholds disclosed in the Police Pension Investment Policy.

**Note 3 – Deposits and Investments** (cont'd)

***Police Pension Fund (Fund) Disclosures*** (cont'd)

***Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk*** (cont'd)

The Village Pension Fund had the following investments (other than guaranteed by the U.S. government) that exceeded 5% of Plan net position as of April 30, 2016:

| Issuer | Fair Value | Percentage of Net Position |
|---|---|---|
| Federal Farm Credit Bureau | $ 838,394 | 8.84% |
| Federal Home Loan Bank | 563,710 | 5.94% |

**Note 4 – Property Taxes**

Property taxes levied in 2015 attach as an enforceable lien on January 1, 2015, on property values assessed as of the same date. Taxes are levied by passage of a Tax Levy Ordinance. Tax bills are prepared by McHenry County and are payable in two installments, on or about June 1, 2016 and September 1, 2016. The County collects such taxes and remits them periodically. The 2015 levy is intended to finance the Village 2017 fiscal year and is reported as a receivable and deferred inflows of resources.

The Village's property tax is levied each calendar year on all taxable real property located in the Village.

**Note 5 – Land Held for Resale**

From time to time, the Village purchases vacant parcels of land which are then held for resale. The land is recorded at the lower of cost or the current fair market value, whichever is lower. As of April 30, 2016, the Village has 3 parcels of land recorded at $369,000.

## Note 6 – Capital Assets

Governmental capital asset activity for the year ended April 30, 2016, was as follows:

| | Balances May 1, 2015 | Additions | Retirements | **Balances April 30, 2016** |
|---|---|---|---|---|
| **Governmental Activities** | | | | |
| Capital assets not being depreciated: | | | | |
| Land | $ 515,916 | $ 140,000 | $ - | **$ 655,916** |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 5,050,513 | - | - | **5,050,513** |
| Vehicles | 2,548,891 | - | - | **2,548,891** |
| Machinery and equipment | 309,611 | 109,790 | - | **419,401** |
| Infrastructure | 17,703,868 | 1,420,227 | - | **19,124,095** |
| | 25,612,883 | 1,530,017 | - | **27,142,900** |
| Less accumulated depreciation: | | | | |
| Buildings and improvements | 1,972,076 | 123,937 | - | **2,096,013** |
| Vehicles | 1,772,206 | 135,045 | - | **1,907,251** |
| Machinery and equipment | 121,303 | 36,738 | - | **158,041** |
| Infrastructure | 2,546,293 | 484,159 | - | **3,030,452** |
| | 6,411,878 | 779,879 | - | **7,191,757** |
| **Total capital assets being depreciated, net** | 19,201,005 | 750,138 | - | **19,951,143** |
| **Governmental activities, capital assets, net** | $ 19,716,921 | $ 890,138 | $ - | **$ 20,607,059** |

Depreciation expense was charged to functions/programs of the governmental activities of the primary government, as follows:

| | |
|---|---|
| General government | $ 171,573 |
| Public safety | 23,396 |
| Highways and streets | 584,910 |
| **Total depreciation – governmental activities** | $ 779,879 |

## Note 6 – Capital Assets (cont'd)

Business-type capital asset activity for the year ended April 30, 2016, was as follows:

| | Balances May 1, 2015 | Additions | Retirements | **Balances April 30, 2016** |
|---|---|---|---|---|
| **Business-type Activities** | | | | |
| Capital assets not being depreciated: | | | | |
| Land | $ 356,539 | $ - | $ - | **$ 356,539** |
| Capital assets being depreciated: | | | | |
| Land improvements | 193,497 | - | - | **193,497** |
| Buildings and Improvements | 12,987,139 | - | - | **12,987,139** |
| Vehicles | 333,865 | 22,151 | - | **356,016** |
| Machinery and equipment | 3,747,629 | - | - | **3,747,629** |
| Infrastructure | 20,632,372 | 735,016 | - | **21,367,388** |
| | 37,894,502 | 757,167 | - | **38,651,669** |
| Less accumulated depreciation: | | | | |
| Land improvements | 100,256 | 15,448 | - | **115,704** |
| Buildings and Improvements | 8,867,432 | 368,503 | - | **9,235,935** |
| Vehicles | 96,069 | 27,130 | - | **123,199** |
| Machinery and equipment | 3,568,660 | 70,870 | - | **3,639,530** |
| Infrastructure | 11,705,617 | 789,620 | - | **12,495,237** |
| | 24,338,034 | 1,271,571 | - | **25,609,605** |
| **Total capital assets being depreciated, net** | 13,556,468 | (514,404) | - | **13,042,064** |
| **Business-type activities, capital assets, net** | $ 13,913,007 | $ (514,404) | $ - | **$ 13,398,603** |

Depreciation expense was charged to functions/programs of the business-type activities of the primary government, as follows:

| | |
|---|---|
| Water and sanitation | $ 1,239,994 |
| Parking | 31,577 |
| **Total depreciation – business-type activities** | $ 1,271,571 |

## Note 7 – Long-term Obligations

### *General Obligation Bonds*

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Village. General obligation bonds currently outstanding are as follows:

| | Balances May 1, 2015 | Issuances | Retirements | **Balances April 30, 2016** |
|---|---|---|---|---|
| General Obligation Alternate Revenue Source Bonds of 2009, due in annual installments of $310,000 to $440,000 plus interest at 3.75% to 5.2% through November 1, 2024. | $ 3,620,000 | $ - | $ 300,000 | **$ 3,320,000** |

The principal is repaid out of the Debt Service Bond Fund.

### *Revenue Bonds*

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

| | Balances May 1, 2015 | Issuances | Retirements | **Balances April 30, 2016** |
|---|---|---|---|---|
| Water and Sanitation Refunding Revenue Bonds of 2003, with final installment of $175,000 plus interest at 3.65% due May 1, 2015 | $ 175,000 | $ - | $ 175,000 | $ - |
| Water and Sanitation Refunding Revenue Bonds of 2005, due in annual installments of $290,000 to $305,000 plus interest at 3.8% to 3.9% through May 1, 2017. | 875,000 | - | 280,000 | **595,000** |
| | $ 1,050,000 | $ - | $ 455,000 | **$ 595,000** |

The principal is repaid out of the Water and Sanitation Fund.

## Note 7 – Long-term Obligations (cont'd)

### *IEPA Loan*

The Village has entered into an agreement with the IEPA to provide low interest financing for waterworks and sewerage improvements. IEPA Loan balance currently outstanding is as follows:

| | Balances May 1, 2015 | Issuances | Retirements | **Balances April 30, 2016** |
|---|---|---|---|---|
| IEPA Loan of 2002, due in annual installment of $465,565, including interest at 2.57% through May 1, 2024. | $ 3,719,604 | $ - | $ 372,349 | **$ 3,347,255** |

The principal is repaid out of the Water and Sanitation Fund.

### *Long-term Liability Activity*

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

| Type of Debt | Beginning Balances | Additions | Deductions | **Ending Balances** | Amounts Due Within One Year |
|---|---|---|---|---|---|
| Governmental activities: | | | | | |
| Net pension liability | $ 796,873 | $ 9,766,594 | $ - | **$ 10,563,467** | $ - |
| Compensated absences | 216,288 | 9,090 | 7,954 | **217,424** | 43,485 |
| General obligation bonds | 3,620,000 | - | 300,000 | **3,320,000** | 310,000 |
| Net other post-employment benefit obligation | 55,819 | 27,179 | - | **82,998** | - |
| | $ 4,688,980 | $ 9,802,863 | $ 307,954 | **$ 14,183,889** | $ 353,485 |
| Business-type activities: | | | | | |
| Net pension liability | $ - | $ 802,051 | $ - | **$ 802,051** | $ - |
| Compensated absences | 38,782 | 5,099 | 3,987 | **39,894** | 7,979 |
| Revenue bonds | 1,050,000 | - | 455,000 | **595,000** | 290,000 |
| IEPA loan of 2002 | 3,719,604 | - | 372,349 | **3,347,255** | 381,979 |
| | $ 4,808,386 | $ 807,150 | $ 831,336 | **$ 4,784,200** | $ 679,958 |

The General Fund makes payments on the net pension obligation, compensated absences, and net other post-employment benefit obligation for governmental activities. The Bond Fund (Nonmajor Governmental Fund) makes payments on the general obligation bonds. The Water and Sanitation Fund makes payments on the revenue bonds, IEPA Loan and compensated absences for the business-type activities.

**Note 7 – Long-term Obligations** (cont'd)

***Noncommitment Debt***

Special Service Area Bonds

Special service area bonds outstanding as of the date of this report totaled $16,333,000. These bonds are not an obligation of the government and are secured by the levy of annual tax on the real property within the special service area. The government is in no way liable for repayment but is only acting as agent for the property owners in levying and collecting the tax, and forwarding the collections to bondholders.

***Debt Service Requirements to Maturity***

The annual debt service requirements to maturity, including principal and interest, for governmental activities debt is as follows:

| Fiscal Year Ending April 30, | General Obligation Bonds | |
|---|---|---|
| | Principal | Interest |
| 2017 | $ 310,000 | $ 155,732 |
| 2018 | 320,000 | 144,107 |
| 2019 | 335,000 | 130,907 |
| 2020 | 350,000 | 116,000 |
| 2021 | 365,000 | 100,075 |
| 2022 | 380,000 | 82,920 |
| 2023 | 400,000 | 64,300 |
| 2024 | 420,000 | 44,300 |
| 2025 | 440,000 | 22,880 |
| | $ 3,320,000 | $ 861,221 |

The annual debt service requirements to maturity, including principal and interest, for business-type activities debt is as follows:

**Note 7 – Long-term Obligations** (cont'd)

***Debt Service Requirements to Maturity*** *(cont'd)*

| Fiscal Year Ending April 30, | Revenue Bonds | | IEPA Loan | |
|---|---|---|---|---|
| | Principal | Interest | Principal | Interest |
| 2017 | $ 290,000 | $ 17,406 | $ 381,979 | $ 83,586 |
| 2018 | 305,000 | 5,948 | 391,859 | 73,706 |
| 2019 | - | - | 401,995 | 63,570 |
| 2020 | - | - | 412,392 | 53,173 |
| 2021 | - | - | 423,059 | 42,507 |
| 2022 | - | - | 434,001 | 31,564 |
| 2023 | - | - | 445,227 | 20,338 |
| 2024 | - | - | 456,743 | 8,822 |
| | $ 595,000 | $ 23,354 | $ 3,347,255 | $ 377,266 |

***Revenue Bond Ordinance Disclosure***

Water and Sanitation Fund – The revenue bond ordinance requires that all monies held in the Water and Sanitation Fund be segregated and restricted in separate special reserve accounts, in the priority indicated by the order of the following:

Operations and Maintenance – an amount sufficient to pay one month of operating expenses of the system. Amounts may be expended on operating, maintaining and repairing the system.

Bond and Interest – an amount sufficient to pay the current portion of principal and interest maturities. Amounts may be expended for principal and interest on the bonds.

Bond Reserve – the amount of $560,000 upon delivery of the bonds and $10,000 per month until the account aggregates to maximum annual principal and interest still outstanding. Amounts may be expended for principal and interest on the bonds should sufficient funds not be available in the bond and interest account.

Depreciation, Improvement and Extension – the amount of $3,000 per month until the account aggregates 4.75% of the value of the system. Amounts may be expended on the costs of extraordinary repairs and replacements to the system.

Surplus – the amount remaining after payment of the previous four accounts. Amounts may be expended for any lawful corporate purpose.

**Note 7 – Long-term Obligations** (cont'd)

***Revenue Bond Ordinance Disclosure*** *(cont'd)*

Supplemental information required under bond ordinance provision, not subject to audit:

| | Water | Sewer |
|---|---|---|
| Water and Sewer Rate per 1,000 Gallons | $4.04 | $3.31 |
| User Fee per Month | $2.27 | $2.27 |
| Number of Metered Water and Sewer Customers | 6,294 | |
| Quantity of Water Pumped (Gallons) | 507,474,000 | |
| Quantity of Water Billed (Gallons) | 425,894,000 | |

***Legal Debt Margin***

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides, "...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 or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979."

| | |
|---|---|
| Assessed Valuation – 2015 | $ 405,344,100 |
| Legal Debt Limit – 8.625% of Assessed Value | 34,960,929 |
| Amount of Debt Applicable to Limit | 3,320,000 |
| Legal Debt Margin | $ 31,640,929 |

## Note 8 – Net Position Classifications

Net investment in capital assets was comprised of the following at April 30, 2016:

| | | |
|---|---|---|
| Governmental activities: | | |
| Capital assets, net of accumulated depreciation | $ | 20,607,059 |
| Less capital-related debt: | | |
| General obligation bonds | | (3,320,000) |
| Net investment in capital assets | $ | 17,287,059 |
| Business-type activities: | | |
| Capital assets, net of accumulated depreciation | $ | 13,398,603 |
| Plus deferred loss on refunding | | 36,857 |
| Less capital related debt: | | |
| Revenue bonds | | (595,000) |
| IEPA revenue bonds | | (3,347,255) |
| Net investment in capital assets | $ | 9,493,205 |

## Note 9 – Fund Balance Reporting

The following is a schedule of fund balance classifications for the governmental funds as of year-end:

| | General | Infrastructure Capital Improvements | Nonmajor | **Total** |
|---|---|---|---|---|
| **Nonspendable:** | | | | |
| Prepaids | $ 565,554 | $ - | $ 77,866 | $ 643,420 |
| Land held for resale | 369,000 | - | - | 369,000 |
| | $ 934,554 | $ - | $ 77,866 | **$ 1,012,420** |
| **Restricted:** | | | | |
| School crossing | 4,744 | - | - | **4,744** |
| Audit | 20,423 | - | - | **20,423** |
| Unemployment | 22,874 | - | - | **22,874** |
| ESDA | 18,951 | - | - | **18,951** |
| Revolving loan | - | - | 502,893 | **502,893** |
| TIF – capital projects | - | - | 832,789 | **832,789** |
| | 66,992 | - | 1,335,682 | **1,402,674** |
| **Committed:** | | | | |
| Land conservancy | 1,653,371 | - | - | **1,653,371** |

(cont'd)

## Note 9 – Fund Balance Reporting (cont'd)

| | General | Infrastructure Capital Improvements | Nonmajor | **Total** |
|---|---|---|---|---|
| **Assigned:** | | | | |
| Debt service | $ - | $ - | $ 1,723,151 | $ **1,723,151** |
| Capital projects | - | 678,978 | 915,994 | **1,594,972** |
| Buildings | - | - | 1,000,000 | **1,000,000** |
| Vehicle and equipment replacement | - | - | 1,534,398 | **1,534,398** |
| | - | 678,978 | 5,173,543 | **5,852,521** |
| **Unassigned** | 3,668,327 | - | - | **3,668,327** |
| **Total fund balances** | $ 6,323,244 | $ 678,978 | $ 6,587,091 | $ **13,589,313** |

## Note 10 – Other Information

### *Risk Management*

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Village's employees. These risks are provided for through participation in the Intergovernmental Risk Management Agency and private insurance coverage. The Village has purchased insurance from private insurance companies. Covered risks include medical, dental, life, and other. Premiums have been displayed as expenditures/expenses in appropriate funds. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

The Village participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and special districts in Northeastern Illinois which have formed an association under the Illinois Intergovernmental Cooperation's Statute to pool its risk management needs. The agency administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration/litigation management services; unemployment claim administration; extensive risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

**Note 10 – Other Information** (cont'd)

***Risk Management*** (cont'd)

The Village's payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds. Each member assumes the first $10,000 of each occurrence, and IRMA has a mix of self-insurance and commercial insurance at various amounts about that level. Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The Village does not exercise any control over the activities of the Agency beyond its representation on the Board of Directors. Initial contributions are determined each year based on the individual member's eligible revenue as defined in the by-laws of IRMA and experience modification factors based on past member loss experience. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits.

***Joint Venture***

The Village is a founding member of SEECOM – Southeast Emergency Communication. SEECOM is a municipal corporation and public body politic and corporate established pursuant to the Constitution of the State of Illinois and the Intergovernmental Cooperation Act of the State of Illinois, as amended (the Act). SEECOM is a cooperative joint venture organized for the purpose of providing the equipment, services and other items necessary and appropriate for the establishment, operation and maintenance of a joint public safety communications system for the mutual benefit of the members of SEECOM. The founding members of SEECOM consist of the Village of Algonquin, Illinois, the City of Crystal Lake, Illinois, and the Village of Cary, Illinois.

SEECOM is governed by an executive board established with three voting members consisting of the Village Manager/Village Administrator/City Manager, or their respective staff designees, from the three founding communities. Each member of the Executive Board is entitled to one vote. Two non-voting members also consist of one member from the Fire Services Advisory Board and one member from the Law Enforcement Advisory Board. These non-voting Board members represent other member communities.

Each of SEECOM's three members paid an initial entry fee as determined and agreed to by SEECOM's Board and the three members. Each member also pays a portion of the initial capital cost financed by the issuance of a bond. Each member's portion of the initial capital costs are based on the actual capital cost multiplied by the member's proportionate share of the number of calls for service from the preceding year. Each member pays a percentage of the operating costs of SEECOM as determined by the total operational costs less contracted services by each member's proportional share of the calls for service handled by SEECOM. Calls for service are one year in arrears.

**Note 10 – Other Information** (cont'd)

***Joint Venture*** (cont'd)

All property, real and personal, acquired by SEECOM are owned in common by the members under the intergovernmental agreement. Each of the three members under the intergovernmental agreement are liable for the debts and liabilities of SEECOM. The intergovernmental agreement establishing SEECOM is in effect for a period of 15 years from the effective date of June 2003. Thereafter, it is automatically renewed with no affirmative action by the three members for successive 5-year periods commencing May 1 until notice of termination is given. Any terminating member shall remain liable for their share of the capital expenditures incurred prior to the effective date of their termination. Upon termination by any member, SEECOM shall reimburse the terminated member for its share of the un-depreciated value of SEECOM's capital assets.

SEECOM financial statements can be obtained at SEECOM's office located at 100 West Woodstock Street, Crystal Lake, IL 60014.

The Village reports its activities in SEECOM as a governmental joint venture. In accordance with the joint venture agreement, the Village remitted $293,136 to SEECOM during fiscal year 2016. In addition, the Village's equity interest in the joint venture's net assets of $180,191 is recorded within the governmental activities column of the statement of net position.

**Note 11 – Employee Retirement Systems and Defined Benefit Pension Plans**

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system; and the Police Pension Plan that is a single-employer pension plan. Separate, audited GAAP-basis financial statements for the Police Pension Plan can be obtained by writing the Village at 655 Village Hall Drive, Cary, Illinois 60013.

***Illinois Municipal Retirement Fund***

***General Information About the Pension Plan***

**Plan Description** – The Village's defined benefit pension plan for Regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. IMRF is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained online at www.imrf.org.

**Note 11 – Employee Retirement Systems and Defined Benefit Pension Plans** (cont'd)

***Illinois Municipal Retirement Fund*** (cont'd)

***General Information About the Pension Plan*** (cont'd)

At December 31, 2015, the IMRF Plan membership consisted of:

| | |
|---|---|
| Retirees and beneficiaries | 55 |
| Inactive, non-retired members | 60 |
| Active members | 32 |
| Total | 147 |

**Benefits Provided** – IMRF provides two tiers of pension benefits. Participating members hired before January 1, 2011 (Tier 1) who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2 percent of each year thereafter. Employees with at least 8 years of service may retire at or after age 55 and receive a reduced benefit. For participating members hired on or after January 1, 2011 (Tier 2) who retire at or after age 67 with 10 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1-2/3 percent of their final rate (average of the highest 96 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service, with a maximum salary cap of $111,572 at January 1, 2015. The maximum salary cap increases each year thereafter. The monthly pension of a member hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 62, by the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years of credited service may retire at or after age 62 and receive a reduced benefit. IMRF also provides death and disability benefits.

**Contributions** – As set by statute, Regular plan members are required to contribute 4.5 percent of their annual covered salary. The statutes require the Village to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar years 2016 and 2015 was 13.91% and 14.61%, respectively. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute. The Village's contribution to the plan totaled $338,079 in the fiscal year ended April 30, 2016, which was equal to its annual required contribution.

**Note 11 – Employee Retirement Systems and Defined Benefit Pension Plans** (cont'd)

***Illinois Municipal Retirement Fund*** (cont'd)

***Net Pension Liability***

The Village's net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**Actuarial Valuation and Assumptions** – The actuarial assumptions used in the December 31, 2015, valuation were based on an actuarial experience study for the period January 11, 2011 – December 31, 2013 using the entry age normal actuarial cost method. The total pension liability in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|---|
| Price inflation | 2.75% |
| Salary increases | 3.75% to 14.5% |
| Investment rate of return | 7.48% |
| Post-retirement benefit increase: | |
| Tier 1 | 3.0%-simple |
| Tier 2 | lesser of 3.0%-simple or ½ increase in CPI |

The actuarial value of IMRF assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with 20% corridor between the actuarial and market value of assets. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2015 was 26 years.

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

**Note 11 – Employee Retirement Systems and Defined Benefit Pension Plans** (cont'd)

***Illinois Municipal Retirement Fund*** (cont'd)

***Net Pension Liability*** (cont'd)

**Long-term Expected Rate of Return** – The long-term expected rate of return is the expected rate of return to be earned over the entire trust portfolio based on the asset allocation of the portfolio, using best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) developed for each major asset class. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset Class | Target Allocation | Long-term Expected Real Rate of Return |
|---|---|---|
| Equities | 38% | 7.39% |
| International equities | 17% | 7.59% |
| Fixed income | 27% | 3.00% |
| Real estate | 8% | 6.00% |
| Alternatives: | 9% | |
| Private equity | | 8.15% |
| Hedge funds | | 5.25% |
| Commodities | | 2.75% |
| Cash equivalents | 1% | 2.25% |

**Single Discount Rate** – Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects: (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.57% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15) as of December 31, 2015); and the resulting single discount rate used to measure the total pension liability is 7.47%.

Based on the assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees for the next 67 years.

**Note 11 – Employee Retirement Systems and Defined Benefit Pension Plans** (cont'd)

***Illinois Municipal Retirement Fund*** (cont'd)

***Net Pension Liability*** (cont'd)

**Allocation** – The IMRF net pension liability has been allocated proportionately between governmental activities and business-type activities as follows:

| | | |
|---|---|---|
| Governmental activities | $ | 1,704,359 |
| Business-type activities | | 802,051 |
| Total net pension liability | $ | 2,506,410 |

***Changes in Net Pension Liability***

| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension (Asset) Liability |
|---|---|---|---|
| Balance 12/31/14 | $ 16,338,478 | $ 14,505,999 | $ 1,832,479 |
| Changes for the year: | | | |
| Service cost | 273,510 | - | 273,510 |
| Interest | 1,201,965 | - | 1,201,965 |
| Differences between expected and actual experience | (61,406) | - | (61,406) |
| Changes in assumptions | 21,222 | - | 21,222 |
| Contributions - employer | - | 338,078 | (338,078) |
| Contributions - employee | - | 104,131 | (104,131) |
| Net investment income | - | 71,605 | (71,605) |
| Benefit payments, including refunds of employee contributions | (812,371) | (812,371) | - |
| Other changes | - | 247,546 | (247,546) |
| Net changes | 622,920 | (51,011) | 673,931 |
| **Balances at 12/31/15** | **$ 16,961,398** | **$ 14,454,988** | **$ 2,506,410** |

**Note 11 – Employee Retirement Systems and Defined Benefit Pension Plans** (cont'd)

***Illinois Municipal Retirement Fund*** (cont'd)

***Changes in Net Pension Liability*** (cont'd)

**Discount Rate Sensitivity** – The following presents the net pension liability of the Village, calculated using the discount rate of 7.47%, as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point higher or lower than the current rate:

| | 1% Decrease 6.47% | Current Discount Rate 7.47% | 1% Increase 8.47% |
|---|---|---|---|
| Net pension liability | $ 4,857,696 | $ 2,506,410 | $ 651,631 |

**Pension Plan Fiduciary Net Position** – Detailed information about the pension plan's fiduciary net position is available in the separately issued IMRF financial report.

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

For the year ended April 30, 2016, the Village recognized pension expense of $228,492 in the government-wide financial statements. At April 30, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources | Net Deferred Outflows of Resources |
|---|---|---|---|
| Differences between expected and actual experience | $ - | $ 39,549 | $ (39,549) |
| Changes in assumptions | 13,668 | - | 13,668 |
| Net difference between projected and actual earnings in pension plan investments | 809,398 | - | 809,398 |
| Subtotal | 823,066 | 39,549 | 783,517 |
| Contributions made subsequent to the measurement date | 110,884 | - | 110,884 |
| **Total** | **$ 933,950** | **$ 39,549** | **$ 894,401** |

**Note 11 – Employee Retirement Systems and Defined Benefit Pension Plans** (cont'd)

***Illinois Municipal Retirement Fund*** (cont'd)

***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*** (cont'd)

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

| Year Ending April 30, | | |
|---|---|---|
| 2017 | $ | 188,046 |
| 2018 | | 190,771 |
| 2019 | | 202,349 |
| 2020 | | 202,351 |
| | $ | 783,517 |

***Police Pension Plan***

***General Information About the Pension Plan***

**Plan Description** – Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contributions levels are governed by Illinois Compiled Statutes and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. The plan does not issue a stand-alone financial report.

The plan is governed by a five-member Board of Trustees. Two members of the Board of Trustees are appointed by the Village's President, one member is elected by pension beneficiaries, and two members are elected by active police employees.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

At April 30, 2016, the Police Pension Plan membership consisted of:

| | |
|---|---|
| Retirees and beneficiaries | 12 |
| Inactive, non-retired members | 8 |
| Active members | 25 |
| Total | 45 |

**Note 11 – Employee Retirement Systems and Defined Benefit Pension Plans** (cont'd)

***Police Pension Plan*** (cont'd)

***General Information About the Pension Plan*** (cont'd)

**Benefits Provided** – The Police Pension Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final salary for each year of service up to 30 years, to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit of 2.5% of final salary for each year of service. Surviving spouses receive 100% of final salary for fatalities resulting from an act of duty, or otherwise the greater of 50% of final salary or the employee's retirement benefit. Employees disabled in the line of duty receive 65% of final salary.

The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977, is increased annually, following the first anniversary date of retirement and paid upon reaching the age of at least 55 years, by 3% of the originally granted pension. Beginning with increases granted on or after July 1, 1993, the second and subsequent automatic annual increases shall be calculated as 3% of the amount of the pension payable at the time of the increase.

For employees hired after January 1, 2011, the normal retirement age is attainment of age 55 and completion of 10 years of service; early retirement age is attainment of age 50, completion of 10 years of service and the early retirement factor is 6% per year. The employee's accrued benefit is based on their final 8-year average salary not to exceed $106,800 (as indexed). Cost of living adjustments are simple increases, not compounded, and are the lesser of 3% or 50% of CPI beginning the later of the anniversary date or age 60. Surviving spouses receive 66.67% of the employee's benefit at the time of death.

**Contributions** – Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the costs of benefits earned by Plan members as actuarially determined by an enrolled actuary. By the year 2041, the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is fully funded. Actuarial valuations are performed annually. For the year ended April 30, 2016, the City's contribution was 37.7% of covered payroll.

**Investment Policy** – The pension plan's investment policy was established in accordance with provisions of the Illinois Compiled Statutes (ILCS) for pension plans, and may be amended by the Pension Board of Trustees. It is the policy of the Pension Board to pursue an investment strategy that reduces risk though the prudent diversification of the portfolio across a broad selection of distinct asset classes. The primary policies of the fund, in order of priority are safety, liquidity and return on investment. The following was the Board's adopted asset allocation policy as of April 30, 2016:

**Note 11 – Employee Retirement Systems and Defined Benefit Pension Plans** (cont'd)

***Police Pension Plan*** (cont'd)

***General Information About the Pension Plan*** (cont'd)

**Investment Policy** (cont'd)

| Asset Class | Target Allocation | Long-term Expected Real Rate of Return |
|---|---|---|
| U.S. Treasuries | 9.58% | 4.30% |
| U.S. Agencies | 17.22% | 4.50% |
| Taxable IL Municipal Bonds | 6.97% | 4.50% |
| U.S. Corporate Bonds | 23.30% | 5.00% |
| U.S. Large Cap | 25.42% | 7.50% |
| U.S. Mid Cap | 3.40% | 7.80% |
| U.S. Small Cap | 1.54% | 7.50% |
| International Stocks | 7.65% | 7.80% |
| Emerging Market Stocks | 1.66% | 8.70% |
| Real Estate | 1.62% | 6.80% |
| Global Infrastructure | 1.64% | 7.30% |

The ILCS limit the Police Pension Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Police Pension Fund's investments was determined using an asset allocation study conducted by the Police Pension Fund's investment management consultant in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major assets class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of April 30, 2016, are listed in the table above.

**Investment Valuations** – All investments in the Police Pension Plan are stated at fair value as of the trade date. Fair value is based on quoted market prices at April 30 for debt securities, equity securities and mutual funds.

**Investment Concentrations** – There are no assets legally reserved for purposes other than the payment of plan member benefits. There are no long-term contracts for contributions.

**Note 11 – Employee Retirement Systems and Defined Benefit Pension Plans** (cont'd)

***Police Pension Plan*** (cont'd)

***General Information About the Pension Plan*** (cont'd)

**Investment Rate of Return** – For the year ended April 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.25%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

***Net Pension Liability***

The Police Pension Plan's net pension liability was measured as of April 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**Actuarial Valuation and Assumptions** – The actuarial assumptions used in the April 30, 2016, valuation were based on an actuarial experience study conducted by the Illinois Department of Insurance in 2012. The valuation was done using the entry age normal actuarial cost method and the market value asset valuation method. The total pension liability in the April 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|---|
| Price inflation | 2.50% |
| Salary increases | 5.00% |
| Investment rate of return | 7.50% |
| Retirement age | 50-62 |
| Mortality | RP 2000 CHBA |

The unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at April 30, 2016 was 24 years.

**Discount Rate** – The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Note 11 – Employee Retirement Systems and Defined Benefit Pension Plans** (cont'd)

***Police Pension Plan*** (cont'd)

**Changes in Net Pension Liability**

| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension (Asset) Liability |
|---|---|---|---|
| Balance 4/30/15 | $ 18,064,413 | $ 9,105,004 | $ 8,959,409 |
| Changes for the year: | | | |
| Service cost | 460,180 | - | 460,180 |
| Interest | 1,366,351 | - | 1,366,351 |
| Differences between expected and actual experience | (1,514,640) | - | (1,514,640) |
| Changes in assumptions | 588,776 | - | 588,776 |
| Contributions - employer | - | 785,340 | (785,340) |
| Contributions - employee | - | 227,529 | (227,529) |
| Net investment income | - | 23,454 | (23,454) |
| Benefit payments, including refunds of employee contributions | (613,171) | (613,171) | - |
| Administrative expenses | - | (35,355) | 35,355 |
| Net changes | 287,496 | 387,797 | (100,301) |
| **Balances at 4/30/16** | **$ 18,351,909** | **$ 9,492,801** | **$ 8,859,108** |

**Discount Rate Sensitivity** – The following presents the net pension liability of the Village, calculated using the discount rate of 7.50%, as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point higher or lower than the current rate:

| | 1% Decrease (6.50%) | Current Discount Rate (7.50%) | 1% Increase (8.50%) |
|---|---|---|---|
| Net Pension Liability | $ 11,764,711 | $ 8,859,108 | $ 6,503,665 |

**Note 11 – Employee Retirement Systems and Defined Benefit Pension Plans** (cont'd)

***Police Pension Plan*** (cont'd)

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

For the year ended April 30, 2016, the Village recognized pension expense to the Police Pension Plan of $940,167. At April 30, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to the Police Pension Plan from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources | Net Deferred Outflows of Resources |
|---|---|---|---|
| Differences between expected and actual experience | $ - | $ 1,298,262 | $ (1,298,262) |
| Changes in assumptions | 504,666 | - | 504,666 |
| Net difference between projected and actual earnings in pension plan investments | 538,468 | - | 535,468 |
| **Total** | **$ 1,043,134** | **$ 1,298,262** | **$ (255,128)** |

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

| Year Ending April 30, | |
|---|---|
| 2017 | $ 2,351 |
| 2018 | 2,351 |
| 2019 | 2,351 |
| 2020 | 2,351 |
| 2021 | (132,266) |
| 2022 | (132,266) |
| | $ (255,128) |

## Note 12 – Other Post-Employment Benefits

### *Plan Descriptions, Provisions, and Funding Policies*

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

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

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

All retirees contribute 100 percent of the actuarially determined premium to the plan. For the fiscal year ended April 30, 2016, retirees contributed $46,466. Active employees do not contribute to the plan until retirement.

At April 30, 2016, membership consisted of:

| | |
|---|---|
| Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them | 1 |
| Active employees | 57 |
| Total | 58 |

The Village currently does not have a funding policy.

**Note 12 – Other Post-Employment Benefits** (cont'd)

***Annual OPEB Costs and Net OPEB Obligation***

The net OPEB obligation (NOPEBO) as of April 30, 2016, was calculated as follows:

| | | |
|---|---|---|
| Annual required contribution (ARC) | $ | 76,640 |
| Interest on NOPEBO | | 2,233 |
| Adjustment to the ARC | | (5,229) |
| Annual OPEB cost | | 73,644 |
| Actual contribution | | (46,466) |
| Increase in the NOPEBO | | 27,178 |
| NOPEBO – beginning of the year | | 55,820 |
| NOPEBO – end of the year | $ | 82,998 |

***Trend Information***

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

| Fiscal Year | Annual OPEB Cost | Actual Contributions | Percentage Of OPEB Cost Contributed | **Net OPEB Obligation** |
|---|---|---|---|---|
| 2014 | $ 7,908 | $ - | 0.00% | $ **27,837** |
| 2015 | 71,272 | 43,289 | 60.74% | **55,820** |
| 2016 | 73,644 | 46,466 | 63.10% | **82,998** |

**Note 13 – New Accounting Pronouncements**

GASB Statement No. 72, *Fair Value Measurement and Application*, will be effective for the Village beginning with its year ended April 30, 2016. This statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

GASB Statement No. 73, *Accounting and Financial Reporting for Pension and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Nos. 67 and 68*, will be effective for the Village beginning with its year ending April 30, 2017, except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of GASB Statement No. 68, which are effective for the Village beginning with its year ending April 30, 2018. This statement will establish requirements for those pension and pension plans that are not administered through a trust meeting specified criteria.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, will be effective for the Village beginning with its year ending April 30, 2018. This statement will establish rules on reporting OPEB plans that administer benefits on behalf of governmental entities.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (Employer)*, will be effective for the Village beginning with its year ending April 30, 2019. This statement outlines reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, will be effective for the Village beginning with its year ending April 30, 2017. This statement establishes the hierarchy of generally accepted accounting principles (GAAP) for state and local governments and the framework for selecting those principles.

GASB Statement No 77, *Tax Abatement Disclosures*, will be effective for the Village beginning with its year ending April 30, 2017. This statement will improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present.

GASB Statement 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans,* will be effective for the Village beginning with its year ending April 30, 2017. This statement amends GASB Statement No. 68 to exclude certain pension plans.

**Note 13 – New Accounting Pronouncements** (cont'd)

GASB Statement 79, *Certain External Investment Pools and Pool Participants,* will be effective for the Village beginning with its year ending April 30, 2017. This statement addresses accounting and financial reporting for certain investment pools and pool participants. An investment pool can elect to measure its investments at amortized cost for financial reporting purposes if it meets certain criteria; if an investment pool makes this election than pool participants should measure their investment in the pool at amortized cost.

GASB Statement 80, *Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14,* will be effective for the Village beginning with its year ending April 30, 2018. This statement requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member.

GASB Statement 81, *Irrevocable Spit-Interest Agreements,* will be effective for the Village beginning with its year ending April 30, 2018. This statement provides recognition and measurement guidance for situations in which a government is a beneficiary of a split-interest agreement.

GASB Statement 82, *Pension Issues an amendment of GASB Statements 67, 68 and 73,* will be effective for the Village beginning with its year ending April 30, 2018. This statement addresses certain issues that have been raised related to presentation of payroll-related measures in required supplementary information, selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and the classification of payments made by employer to satisfy employee contribution requirements.

GASB Statement No. 75 will have a material impact on the Village's financial statements. Management has not currently determined what impact, if any, the other statements may have on its financial statements.

**Note 14 – Contingent Liabilities**

***Litigation***

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

**Grants**

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

### Note 15 – Change in Accounting Principle

The Village recorded the following change in accounting principle during the year ended April 30, 2016:

| | Increase (Decrease) |
|---|---|
| Governmental activities: | |
| Record IMRF net pension liability | $ (1,170,684) |
| Write off police pension plan net pension obligations | 796,873 |
| Record police pension plan net pension liabilities | (8,959,409) |
| Total - governmental activities | $ (9,333,220) |
| Business-type activities: | |
| Record IMRF net pension liability | $ (550,911) |

With the implementation of GASB Statement No. 68, the Village is required to retroactively record the net pension liability and remove the net pension obligation. The restatement of beginning balances includes deferred outflows of resources, as applicable.

# REQUIRED SUPPLEMENTARY INFORMATION

**Village of Cary, Illinois**
**Other Post-Employment Benefits - Retiree Healthcare Plan**
**Required Supplementary Information -**
**Schedule of Funding Progress and Employer Contributions**
**April 30, 2016**

**Funding Progress**

| Actuarial Valuation Date April 30, | Actuarial Value of Plan Assets | Actuarial Accrued Liability (AAL) - Entry Age | Unfunded AAL (UAAL) | Funded Ratio | Covered Payroll | UAAL as a Percentage of Covered Payroll |
|---|---|---|---|---|---|---|
| 2015 | $ - | $ 631,911 | $ 631,911 | - % | $ 4,144,878 | 15.25 % |
| 2012 | - | 74,745 | 74,745 | - | 4,517,006 | 1.65 |
| 2009 | - | 59,752 | 59,752 | - | 4,608,963 | 1.30 |

**Contributions**

| Fiscal Year | Employer Contributions | Annual Required Contributions | Percent Contributed |
|---|---|---|---|
| 2016 | $ 46,466 | $ 73,644 | 63.10% |
| 2015 | 43,289 | 71,769 | 60.32% |
| 2014 | - | 7,775 | 0.00% |
| 2013 | - | 7,775 | 0.00% |
| 2012 | - | 4,598 | 0.00% |
| 2011 | 2,270 | 4,642 | 48.90% |
| 2010 | 2,270 | 4,642 | 48.90% |

The Village implemented GASB Statement No. 45 for the fiscal year ended April 30, 2009. Information Information for the prior years is not available. The Village is required to have the actuarial valuation performed triennially.

See independent auditor's report.

## Village of Cary, Illinois
## Illinois Municipal Retirement Fund
## Required Supplementary Information -
## Multiyear Schedule of Employer Contributions
## April 30, 2016

| | Calendar Year Ended 2015 |
|---|---|
| Actuarially determined contribution | $ 338,079 |
| Contributions in relation to actuarially determined contribution | 338,079 |
| Contribution excess (deficiency) | $ - |
| Covered employee payroll | $ 2,314,024 |
| Contributions as a percentage of employee covered payroll | 14.61% |

Note to Required Supplementary Information:

The information presented was determined as part of the actuarial valuations as of January 1, of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed, and the amortization period was 26 years; the asset valuation method was at five-year smoothed market; and the significant actuarial assumptions were an investment rate of return of 7.5% annually, wage growth assumption of 4.0% compounded annually, and postretirement benefit increases of 3.0% compounded annually.

See independent auditor's report.

**Village of Cary, Illinois**
**Police Pension Fund**
**Required Supplementary Information -**
**Multiyear Schedule of Employer Contributions**
**April 30, 2016**

| | **2016** | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|---|---|---|---|---|---|---|---|---|---|---|
| Actuarially determined contribution | **$ 581,314** | $ 585,340 | $ 511,529 | $ 436,806 | $ 436,806 | $ 450,806 | $ 442,092 | $ 393,431 | $ 312,918 | $ 312,918 |
| Contributions in relation to actuarially determined contribution | **785,340** | 585,340 | 508,418 | 450,806 | 442,092 | 393,493 | 299,229 | 267,557 | $ 232,113 | 204,794 |
| Contribution deficiency (excess) | **$ (204,026)** | $ - | $ 3,111 | $ (14,000) | $ (5,286) | $ 57,313 | $ 142,863 | $ 125,874 | $ 80,805 | $ 108,124 |
| Covered-employee payroll | **$ 2,165,160** | $ 2,116,684 | $ 2,278,879 | $ 2,141,411 | $ 2,105,820 | $ 2,036,971 | $ 1,963,209 | $ 2,123,676 | N/A | $ 1,600,467 |
| Contributions as a percentage of covered-employee payroll | **36.27%** | 27.65% | 22.31% | 21.05% | 20.99% | 19.32% | 15.24% | 12.60% | N/A | 12.80% |

N/A - Information not available.

The information presented was determined as part of the actuarial valuations as of May 1, two years prior. Additional information as of the latest actuarial valuation is as follows: The actuarial cost method was entry age normal; the amortization method was level percentage of pay, closed basis, the interest rate assumption was 7.50% and the amortization period was 27 years.

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

| | 2015 |
|---|---|
| Total pension liability: | |
| Service cost | $ 273,510 |
| Interest | 1,201,965 |
| Changes in benefit terms | - |
| Differences between expected and actual experience | (61,406) |
| Changes in assumptions | 21,222 |
| Benefit payments, including refunds of member contributions | (812,371) |
| Net change in total pension liability | 622,920 |
| Total pension liability, beginning of year | 16,338,478 |
| Total pension liability, end of year | $ 16,961,398 |
| Plan fiduciary net position: | |
| Contributions - employer | $ 338,078 |
| Contributions - member | 104,131 |
| Net investment income | 71,605 |
| Benefit payments, including refunds of member contributions | (812,371) |
| Administrative expense | 247,546 |
| Net change in plan fiduciary net position | (51,011) |
| Plan fiduciary net position, beginning of year | 14,505,999 |
| Plan fiduciary net position, end of year | $ 14,454,988 |
| Employer's net pension liability | $ 2,506,410 |
| Plan fiduciary net position as a percentage of the total pension liability | 85.22% |
| Covered employee payroll | $ 2,314,024 |
| Employer's net pension liability as a percentage of covered-employee payroll | 108.31% |

See independent auditor's report.

**Village of Cary, Illinois**
**Police Pension Fund**
**Required Supplementary Information - Multiyear Schedule of Changes in the Employer's Net Pension Liability and Related Ratios**
**April 30, 2016**

| | 2016 | 2015 |
|---|---|---|
| Total pension liability: | | |
| Service cost | **$ 460,180** | $ 456,418 |
| Interest | **1,366,351** | 1,139,846 |
| Changes in benefit terms | **-** | - |
| Differences between expected and actual experience | **(1,514,640)** | 452,158 |
| Changes in assumptions | **588,776** | 1,102,140 |
| Benefit payments, including refunds of member contributions | **(613,171)** | (568,179) |
| Net change in total pension liability | **287,496** | 2,582,383 |
| Total pension liability, beginning of year | **18,064,413** | 15,482,030 |
| Total pension liability, end of year | **$ 18,351,909** | $ 18,064,413 |
| Plan fiduciary net position: | | |
| Contributions - employer | **$ 785,340** | $ 585,340 |
| Contributions - member | **227,529** | 236,518 |
| Net investment income | **23,454** | 390,313 |
| Benefit payments, including refunds of member contributions | **(613,171)** | (568,179) |
| Administrative expense | **(35,355)** | (39,356) |
| Net change in plan fiduciary net position | **387,797** | 604,636 |
| Plan fiduciary net position, beginning of year | **9,105,004** | 8,500,368 |
| Plan fiduciary net position, end of year | **$ 9,492,801** | $ 9,105,004 |
| Employer's net pension liability | **$ 8,859,108** | $ 8,959,409 |
| Plan fiduciary net position as a percentage of the total pension liability | **51.73%** | 50.40% |
| Covered employee payroll | **$ 2,165,160** | $ 2,116,684 |
| Employer's net pension liability as a percentage of covered-employee payroll | **409.17%** | 423.28% |

Change of assumptions: For the 2016 fiscal year, amounts reported as changes of assumptions were resulted from updating the mortality assumptions to include a projection to the valuation date using Scale BB.

See independent auditor's report.

**Village of Cary, Illinois**
**Police Pension Fund**
**Required Supplementary Information -**
**Multiyear Schedule of Investment Returns**
**April 30, 2016**

| | 2016 |
|---|---|
| Annual money-weighted rate of return, net of investment expense | **0.25%** |

See independent auditor's report.

# SUPPLEMENTAL INFORMATION

**Village of Cary, Illinois**
**General Fund**
**Schedule of Revenues - Budget and Actual**
**For the Year Ended April 30, 2016**

| | Original Budget | Final Budget | **Actual** | Variance Positive (Negative) |
|---|---|---|---|---|
| Taxes: | | | | |
| Property taxes | $ 2,752,560 | $ 2,752,560 | **$ 2,746,133** | $ (6,427) |
| Sales taxes | 1,325,000 | 1,325,000 | **1,320,741** | (4,259) |
| | 4,077,560 | 4,077,560 | **4,066,874** | (10,686) |
| Licenses and permits: | | | | |
| Licenses: | | | | |
| Liquor | 37,500 | 37,500 | **36,580** | (920) |
| Amusement | 3,000 | 3,000 | **2,754** | (246) |
| Other | 4,500 | 4,500 | **2,897** | (1,603) |
| Permits: | | | | |
| Building | 100,000 | 100,000 | **108,687** | 8,687 |
| Plumbing | 10,000 | 10,000 | **4,798** | (5,202) |
| Electric | 20,000 | 20,000 | **825** | (19,175) |
| Other | 75,000 | 75,000 | **43,320** | (31,680) |
| Plan review | 37,500 | 37,500 | **54,446** | 16,946 |
| Driveway | 10,000 | 10,000 | **9,887** | (113) |
| | 297,500 | 297,500 | **264,194** | (33,306) |
| Intergovernmental: | | | | |
| Illinois state income tax | 1,808,829 | 1,808,829 | **1,851,995** | 43,166 |
| Personal property replacement tax | 78,061 | 78,061 | **77,161** | (900) |
| Local use tax | 354,457 | 354,457 | **423,950** | 69,493 |
| Grants | 3,000 | 3,000 | **(330)** | (3,330) |
| | 2,244,347 | 2,244,347 | **2,352,776** | 108,429 |
| Charges for services: | | | | |
| Administrative service charges | 1,500 | 1,500 | **395** | (1,105) |
| Planning and zoning hearings | 4,000 | 4,000 | **9,550** | 5,550 |
| Right of way lease | 600 | 600 | **1,255** | 655 |
| Contractor registration | 20,000 | 20,000 | **16,774** | (3,226) |
| Miscellaneous B/Z revenues | 27,500 | 27,500 | **33,245** | 5,745 |
| Reimbursement for services | 6,500 | 6,500 | **7,805** | 1,305 |

(cont'd)

**Village of Cary, Illinois**
**General Fund**
**Schedule of Revenues - Budget and Actual** (cont'd)
**For the Year Ended April 30, 2016**

| | Original Budget | Final Budget | **Actual** | Variance Positive (Negative) |
|---|---|---|---|---|
| Charges for services (cont'd): | | | | |
| Miscellaneous police revenue | $ 8,000 | $ 8,000 | **$ 4,575** | $ (3,425) |
| Police training reimbursement | 4,000 | 4,000 | **14,698** | 10,698 |
| Miscellaneous public works | 10,000 | 10,000 | **2,349** | (7,651) |
| Infrastructure maintenance fees | 612,000 | 612,000 | **544,809** | (67,191) |
| Franchise fees | 260,000 | 260,000 | **268,624** | 8,624 |
| Communications tower rental | 245,000 | 245,000 | **141,531** | (103,469) |
| Recycling fees | 2,500 | 2,500 | **3,435** | 935 |
| Tree replacement fees | - | - | **3,926** | 3,926 |
| Subdivision fee | 1,000 | 1,000 | **-** | (1,000) |
| Administrative adjudication | 17,500 | 17,500 | **13,710** | (3,790) |
| | 1,220,100 | 1,220,100 | **1,066,681** | (153,419) |
| Fines and forfeitures: | | | | |
| Court fines | 110,000 | 110,000 | **95,080** | (14,920) |
| Prosecution fees | 10,000 | 10,000 | **8,312** | (1,688) |
| Municipal bail fees | 2,000 | 2,000 | **2,400** | 400 |
| Parking fines | 20,000 | 20,000 | **21,410** | 1,410 |
| Liquor license fines | 1,000 | 1,000 | **-** | (1,000) |
| DUI funds | 5,000 | 5,000 | **-** | (5,000) |
| Warrant execution fees | 1,000 | 1,000 | **700** | (300) |
| Tow revenue | 35,000 | 35,000 | **36,250** | 1,250 |
| Police seizures | 7,500 | 7,500 | **-** | (7,500) |
| | 191,500 | 191,500 | **164,152** | (27,348) |
| Investment income | 90,000 | 90,000 | **84,914** | (5,086) |
| Miscellaneous: | | | | |
| High school reimbursement | 30,000 | 30,000 | **28,448** | (1,552) |
| Other | 95,250 | 95,250 | **86,792** | (8,458) |
| Land conservancy donation | 200,000 | 200,000 | **200,000** | - |
| | 325,250 | 325,250 | **315,240** | (10,010) |
| **Total revenues** | $ 8,446,257 | $ 8,446,257 | **$ 8,314,831** | $ (131,426) |

See independent auditor's report.

**Village of Cary, Illinois**
**General Fund**
**Schedule of Expenditures - Budget and Actual**
**For the Year Ended April 30, 2016**

| | Original Budget | Final Budget | **Actual** | Variance Positive (Negative) |
|---|---|---|---|---|
| General government: | | | | |
| Boards and commissions | $ 80,917 | $ 80,917 | **$ 79,401** | $ 1,516 |
| Central services | 350,240 | 350,240 | **308,604** | 41,636 |
| Administration | 390,687 | 390,687 | **402,382** | (11,695) |
| Legal department | 89,800 | 89,800 | **125,503** | (35,703) |
| Administration and financial services | 324,041 | 324,041 | **337,507** | (13,466) |
| Building, planning and zoning | 435,231 | 435,231 | **483,520** | (48,289) |
| | 1,670,916 | 1,670,916 | **1,736,917** | (66,001) |
| Public safety - police | 4,244,585 | 4,244,585 | **4,481,464** | (236,879) |
| Highways and streets | 2,000,055 | 2,000,055 | **1,943,805** | 56,250 |
| Total expenditures | $ 7,915,556 | $ 7,915,556 | **$ 8,162,186** | $ (246,630) |

**Village of Cary, Illinois**
**General Fund**
**Schedule of Detailed Expenditures - Budget and Actual**
**For the Year Ended April 30, 2016**

| | Original Budget | Final Budget | **Actual** | Variance Positive (Negative) |
|---|---|---|---|---|
| General government: | | | | |
| Boards and commissions: | | | | |
| Personnel services | | | | |
| Village Board salaries | $ 37,080 | $ 37,080 | **$ 32,950** | $ 4,130 |
| Personnel benefits: | | | | |
| FICA | 2,838 | 2,838 | **2,521** | 317 |
| Village Board activities | 5,000 | 5,000 | **5,386** | (386) |
| | 7,838 | 7,838 | **7,907** | (69) |
| Contractual services: | | | | |
| Dues and memberships | 20,249 | 20,249 | **18,288** | 1,961 |
| Fall festival | - | - | **10,000** | (10,000) |
| | 20,249 | 20,249 | **28,288** | (8,039) |
| General government: | | | | |
| Village newsletter | 10,500 | 10,500 | **5,709** | 4,791 |
| Merry Cary holiday event | 550 | 550 | **200** | 350 |
| Community showcase | 700 | 700 | **700** | - |
| General website | 4,000 | 4,000 | **3,647** | 353 |
| | 15,750 | 15,750 | **10,256** | 5,494 |
| **Total boards and commissions** | 80,917 | 80,917 | **79,401** | 1,516 |
| Central services: | | | | |
| Personnel benefits: | | | | |
| Tuition reimbursements | 7,500 | 7,500 | **900** | 6,600 |
| Employee activities | 4,500 | 4,500 | **4,185** | 315 |
| Employee assistance program | - | - | **1,160** | (1,160) |
| | 12,000 | 12,000 | **6,245** | 5,755 |

(cont'd)

**Village of Cary, Illinois**
**General Fund**
**Schedule of Detailed Expenditures - Budget and Actual** (cont'd)
**For the Year Ended April 30, 2016**

| | Original Budget | Final Budget | **Actual** | Variance Positive (Negative) |
|---|---|---|---|---|
| General government (cont'd): | | | | |
| Central services (cont'd): | | | | |
| Contractual services: | | | | |
| Post employment test services | $ 1,500 | $ 1,500 | **$ 3,213** | $ (1,713) |
| Telephones | 45,000 | 45,000 | **47,008** | (2,008) |
| Postage | 6,000 | 6,000 | **3,215** | 2,785 |
| Office equipment repair and maintenance | 11,000 | 11,000 | **9,488** | 1,512 |
| Information technology | 56,440 | 56,440 | **56,440** | - |
| Operating supplies central VH | 13,000 | 13,000 | **8,857** | 4,143 |
| IRMA insurance | 200,000 | 200,000 | **165,433** | 34,567 |
| Computer web/cloud services | - | - | **1,130** | (1,130) |
| | 332,940 | 332,940 | **294,784** | 38,156 |
| General government: | | | | |
| Retirement benefit interest | 5,300 | 5,300 | **5,029** | 271 |
| Bad debt expense | - | - | **2,546** | (2,546) |
| | 5,300 | 5,300 | **7,575** | (2,275) |
| **Total central services** | 350,240 | 350,240 | **308,604** | 41,636 |
| Village administrator's office: | | | | |
| Personnel services: | | | | |
| Salaries | 260,615 | 260,615 | **259,619** | 996 |
| Overtime | - | - | **177** | (177) |
| Sick time buyback | 2,000 | 2,000 | **3,491** | (1,491) |
| | 262,615 | 262,615 | **263,287** | (672) |
| Personnel benefits: | | | | |
| IMRF | 39,770 | 39,770 | **34,794** | 4,976 |
| FICA | 20,750 | 20,750 | **18,312** | 2,438 |
| Life insurance premiums | 325 | 325 | **326** | (1) |
| Health insurance premiums | 31,754 | 31,754 | **31,746** | 8 |
| Dental insurance premiums | 2,515 | 2,515 | **2,516** | (1) |
| Vision insurance premiums | 498 | 498 | **144** | 354 |
| | 95,612 | 95,612 | **87,838** | 7,774 |

(cont'd)

**Village of Cary, Illinois**
**General Fund**
**Schedule of Detailed Expenditures - Budget and Actual** (cont'd)
**For the Year Ended April 30, 2016**

| | Original Budget | Final Budget | **Actual** | Variance Positive (Negative) |
|---|---|---|---|---|
| General government (cont'd): | | | | |
| Village administrator's office: | | | | |
| Commodities: | | | | |
| Auto allowance expense | $ 5,100 | $ 5,100 | **$ 5,075** | $ 25 |
| Other supplies | 500 | 500 | **-** | 500 |
| Books and publications | 885 | 885 | **1,064** | (179) |
| | 6,485 | 6,485 | **6,139** | 346 |
| Contractual services: | | | | |
| Recruitment | 1,000 | 1,000 | **1,003** | (3) |
| Utilities | 3,900 | 3,900 | **3,564** | 336 |
| Employee physicals | 2,000 | 2,000 | **446** | 1,554 |
| Dues and subscriptions | 2,575 | 2,575 | **2,590** | (15) |
| Training - seminars | 4,500 | 4,500 | **3,043** | 1,457 |
| Repairs and maintenance - vehicles | - | - | **101** | (101) |
| Other professional services | 12,000 | 12,000 | **34,371** | (22,371) |
| | 25,975 | 25,975 | **45,118** | (19,143) |
| **Total Village administrator's office** | 390,687 | 390,687 | **402,382** | (11,695) |
| Legal department: | | | | |
| Contractual services: | | | | |
| Legal fees | 89,300 | 89,300 | **123,360** | (34,060) |
| Legal notices and filing fees | 500 | 500 | **2,143** | (1,643) |
| **Total legal department** | 89,800 | 89,800 | **125,503** | (35,703) |
| Administration and financial services: | | | | |
| Personnel services: | | | | |
| Salaries | 101,340 | 101,340 | **114,407** | (13,067) |
| Overtime | 3,000 | 3,000 | **7,410** | (4,410) |
| Sick time buyback | 2,000 | 2,000 | **1,318** | 682 |
| | 106,340 | 106,340 | **123,135** | (16,795) |

(cont'd)

**Village of Cary, Illinois**
**General Fund**
**Schedule of Detailed Expenditures - Budget and Actual** (cont'd)
**For the Year Ended April 30, 2016**

| | Original Budget | Final Budget | **Actual** | Variance Positive (Negative) |
|---|---|---|---|---|
| General government (cont'd): | | | | |
| Administration and financial services (cont'd: | | | | |
| Personnel benefits: | | | | |
| IMRF | $ 15,460 | $ 15,460 | **$ 17,078** | $ (1,618) |
| FICA | 8,070 | 8,070 | **9,041** | (971) |
| Life insurance premiums | 110 | 110 | **112** | (2) |
| Health insurance premiums | 6,797 | 6,797 | **11,476** | (4,679) |
| Dental insurance premiums | 501 | 501 | **656** | (155) |
| Vision insurance premiums | 115 | 115 | **154** | (39) |
| | 31,053 | 31,053 | **38,517** | (7,464) |
| Commodities: | | | | |
| Gasoline - oil | 700 | 700 | **611** | 89 |
| Other supplies | 50 | 50 | **-** | 50 |
| | 750 | 750 | **611** | 139 |
| Contractual services: | | | | |
| Printing | 1,100 | 1,100 | **901** | 199 |
| Dues and subscriptions | 985 | 985 | **990** | (5) |
| Training - meetings | 1,260 | 1,260 | **814** | 446 |
| Bank charges | 2,200 | 2,200 | **2,522** | (322) |
| Audit | 15,290 | 15,290 | **15,498** | (208) |
| Contract accounting service | 150,378 | 150,378 | **139,179** | 11,199 |
| Data processing | 10,000 | 10,000 | **9,955** | 45 |
| Other professional services | 4,685 | 4,685 | **5,385** | (700) |
| | 185,898 | 185,898 | **175,244** | 10,654 |
| **Total administration and financial services** | 324,041 | 324,041 | **337,507** | (13,466) |

(cont'd)

**Village of Cary, Illinois**
**General Fund**
**Schedule of Detailed Expenditures - Budget and Actual** (cont'd)
**For the Year Ended April 30, 2016**

| | Original Budget | Final Budget | **Actual** | Variance Positive (Negative) |
|---|---|---|---|---|
| General government (cont'd): | | | | |
| Building, planning and zoning: | | | | |
| Personnel services - salaries | $ 258,306 | $ 258,306 | **$ 277,766** | $ (19,460) |
| Personnel benefits | | | | |
| IMRF | 38,737 | 38,737 | **36,545** | 2,192 |
| FICA | 20,210 | 20,210 | **20,412** | (202) |
| Life insurance premiums | 375 | 375 | **292** | 83 |
| Health insurance premiums | 34,770 | 34,770 | **33,829** | 941 |
| Dental insurance premiums | 2,937 | 2,937 | **2,912** | 25 |
| Vision insurance premiums | 581 | 581 | **522** | 59 |
| | 97,610 | 97,610 | **94,512** | 3,098 |
| Commodities: | | | | |
| Auto allowance expense | 1,800 | 1,800 | **89** | 1,711 |
| Operating supplies | 1,200 | 1,200 | **2,414** | (1,214) |
| Uniforms | 300 | 300 | **334** | (34) |
| Books and publications | 750 | 750 | **258** | 492 |
| Economic development implementation | 3,000 | 3,000 | **2,000** | 1,000 |
| | 7,050 | 7,050 | **5,095** | 1,955 |
| Contractual services: | | | | |
| Utilities | 2,700 | 2,700 | **1,994** | 706 |
| Printing | 250 | 250 | **154** | 96 |
| Dues and subscriptions | 1,425 | 1,425 | **1,118** | 307 |
| Training - meetings | 3,140 | 3,140 | **2,215** | 925 |
| Plan review | 30,000 | 30,000 | **49,722** | (19,722) |
| Mowing services | 750 | 750 | **202** | 548 |

(cont'd)

**Village of Cary, Illinois**
**General Fund**
**Schedule of Detailed Expenditures - Budget and Actual** (cont'd)
**For the Year Ended April 30, 2016**

| | Original Budget | Final Budget | **Actual** | Variance Positive (Negative) |
|---|---|---|---|---|
| General government (cont'd): | | | | |
| Building, planning and zoning (cont'd): | | | | |
| Contractual services (cont'd): | | | | |
| Real estate listing service | $ 6,000 | $ 6,000 | **$ 5,680** | $ 320 |
| GIS consultant | 1,000 | 1,000 | **-** | 1,000 |
| Outside inspections | 19,000 | 19,000 | **36,142** | (17,142) |
| Plumbing inspections | 8,000 | 8,000 | **8,920** | (920) |
| | 72,265 | 72,265 | **106,147** | (33,882) |
| **Total building, planning and zoning** | 435,231 | 435,231 | **483,520** | (48,289) |
| **Total general government** | 1,670,916 | 1,670,916 | **1,736,917** | (66,001) |
| Public safety: | | | | |
| Police: | | | | |
| Personnel services: | | | | |
| Sworn officers | 2,111,825 | 2,111,825 | **2,243,365** | (131,540) |
| Overtime - sworn | 150,000 | 150,000 | **256,112** | (106,112) |
| Overtime - special events | 13,500 | 13,500 | **-** | 13,500 |
| Dispatchers | 138,829 | 138,829 | **131,063** | 7,766 |
| Overtime - dispatchers | 750 | 750 | **27** | 723 |
| Crossing guards | 19,910 | 19,910 | **12,635** | 7,275 |
| PT aide and evidence custodian | 67,000 | 67,000 | **-** | 67,000 |
| Sick time buyback | 6,000 | 6,000 | **10,081** | (4,081) |
| | 2,507,814 | 2,507,814 | **2,653,283** | (145,469) |
| Personnel benefits: | | | | |
| Pre employment test services | 10,150 | 10,150 | **5,219** | 4,931 |
| IMRF | 21,100 | 21,100 | **19,268** | 1,832 |
| FICA | 195,387 | 195,387 | **196,658** | (1,271) |
| Tuition reimbursements | 7,500 | 7,500 | **1,746** | 5,754 |
| Life insurance premiums | 2,250 | 2,250 | **2,371** | (121) |
| Health insurance premiums | 359,619 | 359,619 | **354,409** | 5,210 |
| Dental insurance premiums | 30,136 | 30,136 | **30,170** | (34) |
| Vision insurance premiums | 6,189 | 6,189 | **5,454** | 735 |
| Police pension | 585,340 | 585,340 | **785,340** | (200,000) |
| | 1,217,671 | 1,217,671 | **1,400,635** | (182,964) |

(cont'd)

**Village of Cary, Illinois**
**General Fund**
**Schedule of Detailed Expenditures - Budget and Actual** (cont'd)
**For the Year Ended April 30, 2016**

| | Original Budget | Final Budget | **Actual** | Variance Positive (Negative) |
|---|---|---|---|---|
| Public safety (cont'd): | | | | |
| Police (cont'd): | | | | |
| Commodities: | | | | |
| Gasoline - oil | $ 60,000 | $ 60,000 | **$ 39,617** | $ 20,383 |
| Operating supplies | 12,000 | 12,000 | **10,320** | 1,680 |
| Uniforms | 51,200 | 51,200 | **27,505** | 23,695 |
| Ammunition | 10,000 | 10,000 | **9,781** | 219 |
| Books and publications | 3,000 | 3,000 | **1,609** | 1,391 |
| Community policing materials | 3,500 | 3,500 | **2,608** | 892 |
| Police seizure accounts | 5,100 | 5,100 | **2,848** | 2,252 |
| Police DUI Fund | 2,500 | 2,500 | **-** | 2,500 |
| All-in-one GPS equipment program | 6,540 | 6,540 | **6,552** | (12) |
| Computer equipment | 3,515 | 3,515 | **1,935** | 1,580 |
| | 157,355 | 157,355 | **102,775** | 54,580 |
| Contractual services: | | | | |
| Utilities | 2,200 | 2,200 | **1,572** | 628 |
| Alerts | 6,000 | 6,000 | **9,239** | (3,239) |
| Printing | 4,150 | 4,150 | **2,435** | 1,715 |
| Dues and subscriptions | 12,155 | 12,155 | **10,076** | 2,079 |
| Training - meetings | 26,000 | 26,000 | **19,167** | 6,833 |
| Police Training Institute | 12,000 | 12,000 | **1,113** | 10,887 |
| New officers testing/training | 4,500 | 4,500 | **1,822** | 2,678 |
| Investigations | 1,550 | 1,550 | **1,642** | (92) |
| Repairs and maintenance: | | | | - |
| Equipment | 8,850 | 8,850 | **6,530** | 2,320 |
| Vehicles | 2,000 | 2,000 | **1,854** | 146 |
| Buildings | 1,400 | 1,400 | **707** | 693 |
| Other professional services | 11,610 | 11,610 | **13,586** | (1,976) |
| SEECOM operations | 269,330 | 269,330 | **255,028** | 14,302 |
| | 361,745 | 361,745 | **324,771** | 36,974 |
| **Total public safety** | 4,244,585 | 4,244,585 | **4,481,464** | (236,879) |

**Village of Cary, Illinois**
**General Fund**
**Schedule of Detailed Expenditures - Budget and Actual** (cont'd)
**For the Year Ended April 30, 2016**

| | Original Budget | Final Budget | **Actual** | Variance Positive (Negative) |
|---|---|---|---|---|
| Highways and streets: | | | | |
| Public works - operations and maintenance: | | | | |
| Personnel services: | | | | |
| Salaries | $ 721,030 | $ 721,030 | **$ 709,256** | $ 11,774 |
| Overtime | 60,000 | 60,000 | **45,673** | 14,327 |
| Seasonal employees | 25,000 | 25,000 | **25,442** | (442) |
| Sick time buyback | 8,500 | 8,500 | **8,764** | (264) |
| | 814,530 | 814,530 | **789,135** | 25,395 |
| Personnel benefits | | | | |
| IMRF | 121,365 | 121,365 | **108,108** | 13,257 |
| FICA | 65,520 | 65,520 | **57,664** | 7,856 |
| Life insurance premiums | 955 | 955 | **958** | (3) |
| Health insurance premiums | 122,410 | 122,410 | **121,145** | 1,265 |
| Dental insurance premiums | 11,200 | 11,200 | **10,791** | 409 |
| Vision insurance premiums | 2,375 | 2,375 | **1,699** | 676 |
| | 323,825 | 323,825 | **300,365** | 23,460 |
| Commodities: | | | | |
| Gasoline - oil | 55,000 | 55,000 | **26,260** | 28,740 |
| Salt | 155,000 | 155,000 | **146,823** | 8,177 |
| De-icing solution | 7,500 | 7,500 | **2,175** | 5,325 |
| Uniforms | 7,000 | 7,000 | **9,297** | (2,297) |
| Books | 100 | 100 | **-** | 100 |
| Operating supplies | 18,000 | 18,000 | **22,689** | (4,689) |
| Other | 10,000 | 10,000 | **12,198** | (2,198) |
| | 252,600 | 252,600 | **219,442** | 33,158 |

(cont'd)

**Village of Cary, Illinois**
**General Fund**
**Schedule of Detailed Expenditures - Budget and Actual** (cont'd)
**For the Year Ended April 30, 2016**

| | Original Budget | Final Budget | **Actual** | Variance Positive (Negative) |
|---|---|---|---|---|
| Highways and streets (cont'd): | | | | |
| Public works - operations and maintenance (cont'd): | | | | |
| Contractual services: | | | | |
| Utilities | $ 46,700 | $ 46,700 | **$ 36,793** | $ 9,907 |
| Printing | 1,000 | 1,000 | **84** | 916 |
| Dues and subscriptions | 1,000 | 1,000 | **1,167** | (167) |
| Training - seminars | 3,500 | 3,500 | **2,005** | 1,495 |
| Tree removal | 80,000 | 80,000 | **92,055** | (12,055) |
| Grass mowing | 35,000 | 35,000 | **39,192** | (4,192) |
| Street sweeping | 40,000 | 40,000 | **30,339** | 9,661 |
| Cemetery | 1,500 | 1,500 | **1,750** | (250) |
| Repairs and maintenance: | | | | |
| Equipment | 20,000 | 20,000 | **9,648** | 10,352 |
| Vehicles | 54,500 | 54,500 | **67,680** | (13,180) |
| Buildings | 53,800 | 53,800 | **59,626** | (5,826) |
| Sidewalks | 55,000 | 55,000 | **45,700** | 9,300 |
| Street lights | 72,000 | 72,000 | **97,440** | (25,440) |
| Storm sewers | 10,000 | 10,000 | **25,445** | (15,445) |
| Traffic signs | 34,800 | 34,800 | **38,313** | (3,513) |
| Other | 5,000 | 5,000 | **279** | 4,721 |
| Thermoplastic PV mark program | 50,000 | 50,000 | **42,065** | 7,935 |
| Crack sealing program | 40,000 | 40,000 | **40,000** | - |
| Other professional services | 5,300 | 5,300 | **5,282** | 18 |
| | 609,100 | 609,100 | **634,863** | (25,763) |
| **Total highways and streets** | 2,000,055 | 2,000,055 | **1,943,805** | 56,250 |
| **Total expenditures** | $ 7,915,556 | $ 7,915,556 | **$ 8,162,186** | $ (246,630) |

**Village of Cary, Illinois**
**Infrastructure Capital Improvements - Capital Projects Fund**
**Schedule of Revenues, Expenditures and Changes in**
**Fund Balance - Budget and Actual**
**For the Year Ended April 30, 2016**

| | Original Budget | Final Budget | **Actual** | Variance Positive (Negative) |
|---|---|---|---|---|
| Revenues: | | | | |
| Intergovernmental: | | | | |
| Motor fuel tax allotment | $ 449,850 | $ 449,850 | **$ 486,301** | $ 36,451 |
| Personal property replacement tax | 4,000 | 4,000 | **5,357** | 1,357 |
| Investment income | 7,500 | 7,500 | **3,921** | (3,579) |
| **Total revenues** | 461,350 | 461,350 | **495,579** | 34,229 |
| Expenditures: | | | | |
| Highways and streets | | | | |
| Repairs and maintenance: | | | | |
| Professional services | 100,000 | 100,000 | **64,686** | 35,314 |
| Road program | 1,500,000 | 1,500,000 | **1,384,469** | 115,531 |
| **Total expenditures** | 1,600,000 | 1,600,000 | **1,449,155** | 150,845 |
| **Revenues under expenditures before other financing sources** | (1,138,650) | (1,138,650) | **(953,576)** | 185,074 |
| Other financing sources - transfer in | 55,858 | 55,858 | **55,858** | - |
| **Net changes in fund balance** | $ (1,082,792) | $ (1,082,792) | **(897,718)** | $ 185,074 |
| Fund balance, beginning of year | | | **1,576,696** | |
| Fund balance, end of year | | | **$ 678,978** | |

# COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

## GENERAL FUND:

The General Fund accounts for all financial resources except those required to be accounted for in another fund.

## CAPITAL PROJECTS FUNDS:

The Capital Projects Funds account for all resources used for the acquisition of capital assets by the Village, except those financed by Proprietary and Trust Funds, including general and infrastructure capital assets.

### Infrastructure Capital Improvements Fund

The Infrastructure Capital Improvements Fund is used to account for purchases of capital assets.

### Other Capital Projects Fund

The Other Capital Projects Fund is used to account for capital projects not accounted for in the Infrastructure Capital Improvements Fund.

### The Bond Fund

The Bond Fund is used to account for the accumulation of resources for, and the payment of, general obligation debt principal, interest and related costs.

### TIF Fund

The TIF Fund is used to account for activities associated with improvements within the two Tax Increment Financing Districts.

### Vehicle and Equipment Fund

The Vehicle and Equipment Fund is used to account for the acquisition and the replacement of Village vehicles and heavy equipment, as approved by the Village Board.

## PERMANENT FUND:

### Revolving Loan Fund

The Revolving Loan Fund is set up for the purpose of accounting for money received from the CDAP grant used for business loans and the money received from the General Fund for residential loans.

# COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

## ENTERPRISE FUNDS:

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

### Water and Sanitation Fund

The Water and Sanitation Fund is used to account for the provision of potable water and wastewater treatment services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations and maintenance, financing and related debt service, billing and collection.

### Parking Fund

The Parking Fund is used to account for the provision of public parking services for commuters. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations and maintenance, financing and related debt service, billing and collection.

## TRUST AND AGENCY FUNDS:

### PENSION TRUST FUND

### Police Pension Fund

Pension Trust Funds are set up for the purpose of accounting for money received from nonenterprise fund sources and held by a governmental unit in the capacity of trustee for individuals, entities and nonpublic organizations.

### AGENCY FUNDS

### Special Services Area #1 Fund

To account for the collection of property taxes within Special Service Area #1 and payments of related special service area debt.

### Special Services Area #2 Fund

To account for the collection of property taxes within Special Service Area #2 and payments of related special service area debt.

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

| | Total | Debt Service | Capital Projects | | | | Permanent |
|---|---|---|---|---|---|---|---|
| | | Bond | T.I.F | Vehicle and Equipment | Building | Other Capital Projects | Revolving Loan |
| **Assets** | | | | | | | |
| Cash and investments | **$ 6,543,424** | $ 1,672,416 | $ 809,021 | $ 1,535,398 | $ 1,000,000 | $ 1,023,696 | $ 502,893 |
| Receivables, net: | | | | | | | |
| Taxes | **120,247** | 42,680 | 77,567 | - | - | - | - |
| Other | **38,211** | 8,055 | 24,561 | - | - | 5,595 | - |
| Prepaid items | **77,866** | 77,866 | - | - | - | - | - |
| **Total assets** | **$ 6,779,748** | $ 1,801,017 | $ 911,149 | $ 1,535,398 | $ 1,000,000 | $ 1,029,291 | $ 502,893 |
| **Liabilities** | | | | | | | |
| Accounts payable | **$ 89,090** | $ - | $ 793 | $ - | $ - | $ 88,297 | $ - |
| Deposits payable | **25,000** | - | - | - | - | 25,000 | - |
| Unearned revenues | **1,000** | - | - | 1,000 | - | - | - |
| **Total liabilities** | **115,090** | - | 793 | 1,000 | - | 113,297 | - |
| **Deferred Inflows of Resources** | | | | | | | |
| Property taxes | **77,567** | - | 77,567 | - | - | - | - |
| **Total liabilities and deferred inflows of resources** | **192,657** | - | 78,360 | 1,000 | - | 113,297 | - |
| **Fund Balances** | | | | | | | |
| Nonspendable | **77,866** | 77,866 | - | - | - | - | - |
| Restricted | **1,335,682** | - | 832,789 | - | - | - | 502,893 |
| Assigned | **5,173,543** | 1,723,151 | - | 1,534,398 | 1,000,000 | 915,994 | - |
| **Total fund balances** | **6,587,091** | 1,801,017 | 832,789 | 1,534,398 | 1,000,000 | 915,994 | 502,893 |
| **Total liabilities, deferred inflows of resources and fund balances** | **$ 6,779,748** | $ 1,801,017 | $ 911,149 | $ 1,535,398 | $ 1,000,000 | $ 1,029,291 | $ 502,893 |

See independent auditor's report.

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

| | Total | Debt Service | Capital Projects | | | | Permanent |
|---|---|---|---|---|---|---|---|
| | | Bond | T.I.F | Vehicle and Equipment | Building | Other Capital Projects | Revolving Loan |
| Revenues: | | | | | | | |
| Taxes | **$ 648,017** | $ 577,822 | $ 70,195 | $ - | $ - | $ - | $ - |
| Intergovernmental | **697,624** | - | 137,061 | - | - | 560,563 | - |
| Charges for services | **508,000** | - | - | 250,000 | 250,000 | 8,000 | - |
| Investment income | **9,493** | 1,834 | 868 | 3,488 | - | 2,341 | 962 |
| Miscellaneous | **31,875** | - | - | 31,875 | - | - | - |
| **Total revenues** | **1,895,009** | 579,656 | 208,124 | 285,363 | 250,000 | 570,904 | 962 |
| Expenditures: | | | | | | | |
| Capital outlay | **787,275** | - | 42,602 | 109,154 | - | 635,519 | - |
| Debt service: | | | | | | | |
| Principal | **300,000** | 300,000 | - | - | - | - | - |
| Interest and fees | **97,089** | 97,089 | - | - | - | - | - |
| **Total expenditures** | **1,184,364** | 397,089 | 42,602 | 109,154 | - | 635,519 | - |
| **Revenues over (under) expenditures before other financing sources (uses)** | **710,645** | 182,567 | 165,522 | 176,209 | 250,000 | (64,615) | 962 |
| Other financing sources (uses): | | | | | | | |
| Transfers in | **750,000** | - | - | - | 750,000 | - | - |
| Transfers out | **(805,858)** | - | - | - | - | (805,858) | - |
| **Total other financing sources (uses)** | **(55,858)** | - | - | - | 750,000 | (805,858) | - |
| **Changes in fund balances** | **654,787** | 182,567 | 165,522 | 176,209 | 1,000,000 | (870,473) | 962 |
| Fund balances, beginning of the year | **5,932,304** | 1,618,450 | 667,267 | 1,358,189 | - | 1,786,467 | 501,931 |
| Fund balances, end of the year | **$ 6,587,091** | $ 1,801,017 | $ 832,789 | $ 1,534,398 | $ 1,000,000 | $ 915,994 | $ 502,893 |

See independent auditor's report.

**Village of Cary, Illinois**
**Bond Fund - Debt Service Fund**
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**For the Year Ended April 30, 2016**

| | Original Budget | Final Budget | **Actual** | Variance Positive (Negative) |
|---|---|---|---|---|
| Revenues: | | | | |
| Taxes - utility tax - electric | $ 600,000 | $ 600,000 | **$ 577,822** | $ (22,178) |
| Investment income | 1,500 | 1,500 | **1,834** | 334 |
| **Total revenues** | 601,500 | 601,500 | **579,656** | (21,844) |
| Expenditures: | | | | |
| Debt service: | | | | |
| Principal retirement | 300,000 | 300,000 | **300,000** | - |
| Interest and fiscal charges | 91,860 | 91,860 | **97,089** | (5,229) |
| **Total expenditures** | 391,860 | 391,860 | **397,089** | (5,229) |
| **Revenues over expenditures** | $ 209,640 | $ 209,640 | **182,567** | $ (27,073) |
| Fund balance, beginning of year | | | **1,618,450** | |
| Fund balance, end of year | | | **$ 1,801,017** | |

**Village of Cary, Illinois**
**T.I.F. Fund - Capital Projects Fund**
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**For the Year Ended April 30, 2016**

| | Original Budget | Final Budget | **Actual** | Variance Positive (Negative) |
|---|---|---|---|---|
| Revenues: | | | | |
| Taxes - property taxes | $ 91,000 | $ 91,000 | **$ 70,195** | $ (20,805) |
| Intergovernmental - grants | 337,500 | 337,500 | **137,061** | (200,439) |
| Investment income | 1,630 | 1,630 | **868** | (762) |
| **Total revenues** | 430,130 | 430,130 | **208,124** | (222,006) |
| Expenditures: | | | | |
| Capital outlay: | | | | |
| Engineering | 10,000 | 10,000 | **-** | 10,000 |
| Professional services | 2,500 | 2,500 | **2,000** | 500 |
| Jandus Cutoff Road construction project | 278,700 | 278,700 | **40,602** | 238,098 |
| **Total expenditures** | 291,200 | 291,200 | **42,602** | 248,598 |
| **Revenues over expenditures** | $ 138,930 | $ 138,930 | **165,522** | $ 26,592 |
| Fund balance, beginning of year | | | **667,267** | |
| Fund balance, end of year | | | **$ 832,789** | |

**Village of Cary, Illinois**
**Vehicle and Equipment Fund - Capital Projects Fund**
**Schedule of Revenues, Expenditures and Changes in**
**Fund Balance - Budget and Actual**
**For the Year Ended April 30, 2016**

| | Original Budget | Final Budget | **Actual** | Variance Positive (Negative) |
|---|---|---|---|---|
| Revenues: | | | | |
| Charges for services - impact fees | $ 250,000 | $ 250,000 | **$ 250,000** | $ - |
| Investment income | 4,000 | 4,000 | **3,488** | (512) |
| Miscellaneous: | | | | |
| Police Vehicle Fund - MCC | 5,000 | 5,000 | **4,903** | (97) |
| Sale of vehicles/equipment | 25,000 | 25,000 | **26,972** | 1,972 |
| **Total revenues** | 284,000 | 284,000 | **285,363** | 1,363 |
| Expenditures: | | | | |
| Capital outlay: | | | | |
| PD - vehicles | 111,000 | 111,000 | **106,184** | 4,816 |
| PW - 10-ton plow truck | 150,000 | 150,000 | **2,970** | 147,030 |
| **Total expenditures** | 261,000 | 261,000 | **109,154** | 151,846 |
| **Revenues over expenditures** | $ 23,000 | $ 23,000 | **176,209** | $ 153,209 |
| Fund balance, beginning of year | | | **1,358,189** | |
| Fund balance, end of year | | | **$ 1,534,398** | |

**Village of Cary, Illinois**
**Building Fund - Capital Projects Fund**
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**
**For the Year Ended April 30, 2016**

| | Original Budget | Final Budget | **Actual** | Variance Positive (Negative) |
|---|---|---|---|---|
| Revenues: | | | | |
| Charges for services - Pecor contributions | $ - | $ - | **$ 250,000** | $ 250,000 |
| Expenditures: | | | | |
| Capital outlay | 50,000 | 50,000 | - | 50,000 |
| **Revenues over (under) expenditures before other financing sources** | (50,000) | (50,000) | **250,000** | 300,000 |
| Other financing sources: | | | | |
| Transfers in | 750,000 | 750,000 | **750,000** | - |
| **Changes in fund balance** | $ 700,000 | $ 700,000 | **1,000,000** | $ 300,000 |
| Fund balance, beginning of year | | | - | |
| Fund balance, end of year | | | **$ 1,000,000** | |

**Village of Cary, Illinois**
**Other Capital Projects Fund - Capital Projects Fund**
**Schedule of Revenues, Expenditures and Changes in**
**Fund Balance - Budget and Actual**
**For the Year Ended April 30, 2016**

| | Original Budget | Final Budget | **Actual** | Variance Positive (Negative) |
|---|---|---|---|---|
| Revenues: | | | | |
| Charges for services - annexation fees | $ 16,000 | $ 16,000 | **$ 8,000** | $ (8,000) |
| Intergovernmental - grant - Sunset & Crest | 975,000 | 975,000 | **560,563** | (414,437) |
| Investment income | 7,100 | 7,100 | **2,341** | (4,759) |
| | 998,100 | 998,100 | **570,904** | (427,196) |
| Expenditures: | | | | |
| Capital outlay | 2,119,064 | 2,119,064 | **635,519** | 1,483,545 |
| **Revenues under expenditures before other financing uses** | (1,120,964) | (1,120,964) | **(64,615)** | 1,056,349 |
| Other financing uses - transfer out | (805,858) | (805,858) | **(805,858)** | - |
| **Changes in fund balance** | $ (1,926,822) | $ (1,926,822) | **(870,473)** | $ 1,056,349 |
| Fund balance, beginning of year | | | **1,786,467** | |
| Fund balance, end of year | | | **$ 915,994** | |

**Village of Cary, Illinois**
**Other Capital Projects Fund - Capital Projects Fund**
**Schedule of Expenditures - Budget and Actual**
**For the Year Ended April 30, 2016**

| | Original Budget | Final Budget | **Actual** | Variance Positive (Negative) |
|---|---|---|---|---|
| Capital outlay: | | | | |
| Community survey | $ 20,000 | $ 20,000 | **$ -** | $ 20,000 |
| Computer equipment | 74,564 | 74,564 | **73,772** | 792 |
| Corridor planning services | 100,000 | 100,000 | **-** | 100,000 |
| Downtown sidewalk update | 20,000 | 20,000 | **13,650** | 6,350 |
| Economic incentives | 50,000 | 50,000 | **4,965** | 45,035 |
| Elevator improvements | 14,000 | 14,000 | **-** | 14,000 |
| Furniture replacement | - | - | **12,010** | (12,010) |
| Historical society/arts initiative | 20,000 | 20,000 | **-** | 20,000 |
| Information technology update | 30,000 | 30,000 | **16,079** | 13,921 |
| Intoxicator update | 7,500 | 7,500 | **7,099** | 401 |
| Livescan | 25,000 | 25,000 | **18,960** | 6,040 |
| Meeting website streaming/ agenda management | - | - | **4,119** | (4,119) |
| Municipal codification | - | - | **6,219** | (6,219) |
| Offsite storage | - | - | **14,043** | (14,043) |
| Other professional services | - | - | **2,216** | (2,216) |
| Park Avenue design | 13,000 | 13,000 | **38,854** | (25,854) |
| Replacement banners | 15,000 | 15,000 | **-** | 15,000 |
| Security access improvements | - | - | **20,865** | (20,865) |
| SEECOM service share | 40,000 | 40,000 | **38,108** | 1,892 |
| Starcom receiver update | 20,000 | 20,000 | **19,492** | 508 |
| Storm water certified community | 20,000 | 20,000 | **1,639** | 18,361 |
| Sunset & Crest improvements | 1,420,000 | 1,420,000 | **256,572** | 1,163,428 |
| Three Oaks design | 90,000 | 90,000 | **44,449** | 45,551 |
| Traffic crash mapping | 10,000 | 10,000 | **15,658** | (5,658) |
| HVAC improvements | 35,000 | 35,000 | **26,750** | 8,250 |
| Unified development ordinance | 95,000 | 95,000 | **-** | 95,000 |
| | $ 2,119,064 | $ 2,119,064 | **$ 635,519** | $ 1,483,545 |

**Village of Cary, Illinois**
**Water and Sanitation Fund - Enterprise Fund**
**Schedule of Revenues, Expenditures and Changes in**
**Net Position - Budget and Actual**
**For the Year Ended April 30, 2016**

| | Original Budget | Final Budget | **Actual** | Variance Positive (Negative) |
|---|---|---|---|---|
| Operating revenues: | | | | |
| Charges for services: | | | | |
| Water and sewer charges | $ 3,285,000 | $ 3,285,000 | **$ 3,175,942** | $ (109,058) |
| Construction water | 750 | 750 | **803** | 53 |
| Water meter sales | 4,000 | 4,000 | **7,067** | 3,067 |
| Miscellaneous | 65,000 | 65,000 | **(85,043)** | (150,043) |
| **Total operating revenues** | 3,354,750 | 3,354,750 | **3,098,769** | (255,981) |
| Operating expenses: | | | | |
| Administration | 103,433 | 103,433 | **116,186** | (12,753) |
| Water operations | 2,703,218 | 2,703,218 | **1,270,645** | 1,432,573 |
| Sanitation operations | 881,665 | 881,665 | **841,241** | 40,424 |
| Depreciation | 1,150,000 | 1,150,000 | **1,239,994** | (89,994) |
| **Total operating expenses** | 4,838,316 | 4,838,316 | **3,468,066** | 1,370,250 |
| **Operating loss** | (1,483,566) | (1,483,566) | **(369,297)** | 1,114,269 |
| Nonoperating revenues (expenses): | | | | |
| Other income | 175,000 | 175,000 | **174,914** | (86) |
| Connection fees | 137,000 | 137,000 | **152,480** | 15,480 |
| Interest income | 72,500 | 72,500 | **62,406** | (10,094) |
| Interest and fiscal charges | - | - | **(152,676)** | (152,676) |
| **Total nonoperating revenue (expense)** | 384,500 | 384,500 | **237,124** | (147,376) |
| **Changes in net position** | $ (1,099,066) | $ (1,099,066) | **(132,173)** | $ 966,893 |
| Net position, beginning of year, as previously reported | | | **17,040,870** | |
| Prior period restatement | | | **(550,911)** | |
| Net position, beginning of year, as restated | | | **16,489,959** | |
| Net position, end of year | | | **$ 16,357,786** | |

**Village of Cary, Illinois**
**Water and Sanitation - Enterprise Fund**
**Schedule of Changes in Net Position - Restricted Debt**
**For the Year Ended April 30, 2016**

| | Operations and Maintenance | Bond and Interest | Bond Reserve | Depreciation, Improvement and Extension | **Totals** |
|---|---|---|---|---|---|
| Increases: | | | | | |
| Intrafund transfers in | $ 8,000 | $ 943,480 | $ - | $ - | **$ 951,480** |
| Decreases: | | | | | |
| Intrafund transfers out | - | - | 185,000 | 15,000 | **200,000** |
| Bond principal | - | 827,348 | - | - | **827,348** |
| Bond interest | - | 116,132 | - | - | **116,132** |
| | - | 943,480 | 185,000 | 15,000 | **1,143,480** |
| Net increase (decrease) | 8,000 | - | (185,000) | (15,000) | **(192,000)** |
| Account balances: | | | | | |
| Beginning of the year | 282,000 | - | 965,000 | 655,000 | **1,902,000** |
| End of the year | $ 290,000 | $ - | $ 780,000 | $ 640,000 | **$ 1,710,000** |

**Village of Cary, Illinois**
**Water and Sanitation Fund - Enterprise Fund**
**Schedule of Operating Expenses - Budget and Actual**
**For the Year Ended April 30, 2016**

| | Original Budget | Final Budget | **Actual** | Variance Positive (Negative) |
|---|---|---|---|---|
| Administration: | | | | |
| General government - operating insurance | $ 103,433 | $ 103,433 | **$ 116,186** | $ (12,753) |
| Water operations: | | | | |
| Personnel services: | | | | |
| Salaries | 422,540 | 422,540 | **443,992** | (21,452) |
| Overtime | 18,000 | 18,000 | **36,177** | (18,177) |
| Sick time buyback | 4,100 | 4,100 | **3,855** | 245 |
| | 444,640 | 444,640 | **484,024** | (39,384) |
| Personnel benefits: | | | | |
| Employee insurance premiums | 81,140 | 81,140 | **83,853** | (2,713) |
| IMRF | 68,457 | 68,457 | **32,651** | 35,806 |
| FICA | 34,076 | 34,076 | **35,869** | (1,793) |
| | 183,673 | 183,673 | **152,373** | 31,300 |
| Commodities: | | | | |
| Gasoline - oil | 15,000 | 15,000 | **8,595** | 6,405 |
| Laboratory supplies | 3,000 | 3,000 | **1,694** | 1,306 |
| Chemicals | 70,000 | 70,000 | **69,323** | 677 |
| Uniforms | 3,300 | 3,300 | **5,091** | (1,791) |
| Tool - operating supplies | 4,000 | 4,000 | **6,551** | (2,551) |
| Fire hydrants | 5,000 | 5,000 | **5,740** | (740) |
| Computer equipment | 7,500 | 7,500 | **7,498** | 2 |
| Other | 2,500 | 2,500 | **2,853** | (353) |
| | 110,300 | 110,300 | **107,345** | 2,955 |
| Contractual services: | | | | |
| Employment testing services | 200 | 200 | **367** | (167) |
| Recruitment | - | - | **148** | (148) |
| Utilities | 234,000 | 234,000 | **232,719** | 1,281 |
| Postage | 11,650 | 11,650 | **13,129** | (1,479) |
| Printing | 5,000 | 5,000 | **9,968** | (4,968) |

(cont'd)

**Village of Cary, Illinois**
**Water and Sanitation Fund - Enterprise Fund**
**Schedule of Operating Expenses - Budget and Actual** (cont'd)
**For the Year Ended April 30, 2016**

| | Original Budget | Final Budget | **Actual** | Variance Positive (Negative) |
|---|---|---|---|---|
| Water operations (cont'd): | | | | |
| Contractual services (cont'd): | | | | |
| Dues and subscriptions | $ 600 | $ 600 | **$ 405** | $ 195 |
| Travel - seminar | 750 | 750 | **639** | 111 |
| Bank charges | 425 | 425 | **581** | (156) |
| Mowing costs | 4,000 | 4,000 | **3,143** | 857 |
| Repairs and maintenance: | | | | |
| Equipment | 25,000 | 25,000 | **39,156** | (14,156) |
| Vehicle | 8,000 | 8,000 | **22,430** | (14,430) |
| Building | 7,000 | 7,000 | **7,559** | (559) |
| Water mains | 43,000 | 43,000 | **26,932** | 16,068 |
| Fire hydrant | 5,000 | 5,000 | **2,935** | 2,065 |
| Valve rehabilitation | 3,000 | 3,000 | **1,959** | 1,041 |
| Information technology | 7,200 | 7,200 | **9,517** | (2,317) |
| Legal | 4,500 | 4,500 | **4,500** | - |
| Audit | 3,530 | 3,530 | **3,659** | (129) |
| Data processing | 4,000 | 4,000 | **3,275** | 725 |
| Water analysis | 25,000 | 25,000 | **19,946** | 5,054 |
| Other professional services | 118,750 | 118,750 | **69,695** | 49,055 |
| | 510,605 | 510,605 | **472,662** | 37,943 |
| Capital outlay: | | | | |
| Vehicles | 175,000 | 175,000 | **-** | 175,000 |
| Meters | 200,000 | 200,000 | **9,303** | 190,697 |
| Water main replacement | 500,000 | 500,000 | **439** | 499,561 |
| Water tower painting | 450,000 | 450,000 | **2,728** | 447,272 |
| Fire hydrants painting | 48,000 | 48,000 | **37,125** | 10,875 |
| Well houses - fence replacements | 6,000 | 6,000 | **816** | 5,184 |
| Emergency well replacements | - | - | **3,165** | (3,165) |
| SCADA upgrade | 75,000 | 75,000 | **665** | 74,335 |
| | 1,454,000 | 1,454,000 | **54,241** | 1,399,759 |

(cont'd)

**Village of Cary, Illinois**
**Water and Sanitation Fund - Enterprise Fund**
**Schedule of Operating Expenses - Budget and Actual** (cont'd)
**For the Year Ended April 30, 2016**

| | Original Budget | Final Budget | **Actual** | Variance Positive (Negative) |
|---|---|---|---|---|
| Water operations (cont'd): | | | | |
| Debt service - interest and fiscal charges | $ 19,824 | $ 19,824 | **$ 15,249** | $ 4,575 |
| Less nonoperating items | (19,824) | (19,824) | **(15,249)** | (4,575) |
| **Total debt service** | - | - | - | - |
| **Total water operations** | 2,703,218 | 2,703,218 | **1,270,645** | 1,432,573 |
| Sanitation operations: | | | | |
| Personnel services: | | | | |
| Salaries | 304,885 | 304,885 | **260,268** | 44,617 |
| Overtime | 27,500 | 27,500 | **21,262** | 6,238 |
| Sick time buyback | - | - | **1,592** | (1,592) |
| | 332,385 | 332,385 | **283,122** | 49,263 |
| Personnel benefits: | | | | |
| Employee insurance premiums | 54,355 | 54,355 | **68,613** | (14,258) |
| IMRF | 49,385 | 49,385 | **40,544** | 8,841 |
| FICA | 25,785 | 25,785 | **20,670** | 5,115 |
| | 129,525 | 129,525 | **129,827** | (302) |
| Commodities: | | | | |
| Gasoline - oil | 13,000 | 13,000 | **6,767** | 6,233 |
| Laboratory supplies | 5,500 | 5,500 | **4,931** | 569 |
| Chemicals | 25,000 | 25,000 | **21,519** | 3,481 |
| Uniforms | 2,000 | 2,000 | **1,088** | 912 |
| Operating supplies | 5,250 | 5,250 | **6,914** | (1,664) |
| Computer equipment | 7,500 | 7,500 | **7,498** | 2 |
| | 58,250 | 58,250 | **48,717** | 9,533 |

(cont'd)

**Village of Cary, Illinois**
**Water and Sanitation Fund - Enterprise Fund**
**Schedule of Operating Expenses - Budget and Actual** (cont'd)
**For the Year Ended April 30, 2016**

| | Original Budget | Final Budget | **Actual** | Variance Positive (Negative) |
|---|---|---|---|---|
| Sanitation operations (cont'd): | | | | |
| Contractual services: | | | | |
| Employment testing services | $ 600 | $ 600 | **$ 101** | $ 499 |
| Utilities | 122,500 | 122,500 | **154,535** | (32,035) |
| Postage | 8,000 | 8,000 | **8,772** | (772) |
| Printing | 4,000 | 4,000 | **6,645** | (2,645) |
| Dues and subscriptions | 500 | 500 | **-** | 500 |
| Travel - seminar | 500 | 500 | **122** | 378 |
| Bank charges | 400 | 400 | **387** | 13 |
| Sludge hauling | 12,500 | 12,500 | **13,029** | (529) |
| Mowing costs | 3,800 | 3,800 | **3,649** | 151 |
| Repairs and maintenance: | | | | |
| Equipment | 35,000 | 35,000 | **23,827** | 11,173 |
| Vehicle | 3,200 | 3,200 | **738** | 2,462 |
| Building | 4,000 | 4,000 | **5,225** | (1,225) |
| Sewer mains | 3,000 | 3,000 | **-** | 3,000 |
| Digester work | 10,000 | 10,000 | **22,045** | (12,045) |
| Lift station | 5,000 | 5,000 | **9,303** | (4,303) |
| Information technology | 2,400 | 2,400 | **2,267** | 133 |
| Legal | 3,000 | 3,000 | **3,000** | - |
| Audit | 2,355 | 2,355 | **2,368** | (13) |
| NPDES permits | 20,500 | 20,500 | **20,508** | (8) |
| Data processing | 2,250 | 2,250 | **1,493** | 757 |
| Sewer analysis | 8,000 | 8,000 | **9,031** | (1,031) |
| Other professional services | 100,000 | 100,000 | **82,786** | 17,214 |
| | 351,505 | 351,505 | **369,831** | (18,326) |
| Capital outlay: | | | | |
| Lift station controller upgrade | 10,000 | 10,000 | **9,744** | 256 |

(cont'd)

**Village of Cary, Illinois**
**Water and Sanitation Fund - Enterprise Fund**
**Schedule of Operating Expenses - Budget and Actual** (cont'd)
**For the Year Ended April 30, 2016**

| | Original Budget | Final Budget | **Actual** | Variance Positive (Negative) |
|---|---|---|---|---|
| Sanitation operations (cont'd): | | | | |
| Debt service - interest and fiscal charges | $ 105,733 | $ 105,733 | **$ 102,382** | $ 3,351 |
| Less nonoperating items | (105,733) | (105,733) | **(102,382)** | (3,351) |
| **Total debt service** | - | - | - | - |
| **Total sanitation operations** | 881,665 | 881,665 | **841,241** | 40,422 |
| Depreciation | 1,150,000 | 1,150,000 | **1,239,994** | (89,994) |
| **Total operating expenses** | $ 4,838,316 | $ 4,838,316 | **$ 3,468,066** | $ 1,370,248 |

**Village of Cary, Illinois**
**Parking Fund - Enterprise Fund**
**Schedule of Revenues, Expenditures and Changes in Net Position - Budget and Actual**
**For the Year Ended April 30, 2016**

| | Original Budget | Final Budget | **Actual** | Variance Positive (Negative) |
|---|---|---|---|---|
| Operating revenues: | | | | |
| Charges for services: | | | | |
| Parking lot fees | $ 223,000 | $ 223,000 | **$ 233,815** | $ 10,815 |
| Operating expenses: | | | | |
| Parking operations | 511,079 | 511,079 | **117,140** | 393,939 |
| Depreciation | 600,000 | 600,000 | **31,577** | 568,423 |
| | 1,111,079 | 1,111,079 | **148,717** | 962,362 |
| **Operating income (loss)** | (888,079) | (888,079) | **85,098** | 973,177 |
| Nonoperating revenue: | | | | |
| Investment income | 1,500 | 1,500 | **2,360** | 860 |
| **Change in net position** | $ (886,579) | $ (886,579) | **87,458** | $ 974,037 |
| Net position, beginning of year | | | **1,005,281** | |
| Net position, end of year | | | **$ 1,092,739** | |

**Village of Cary, Illinois**
**Parking Fund - Enterprise Fund**
**Schedule of Operating Expenses - Budget and Actual**
**For the Year Ended April 30, 2016**

| | Original Budget | Final Budget | **Actual** | Variance Positive (Negative) |
|---|---|---|---|---|
| Parking operations: | | | | |
| Personnel services: | | | | |
| Salaries | $ 37,660 | $ 37,660 | **$ 36,949** | $ 711 |
| Personnel benefits: | | | | |
| FICA | 2,933 | 2,933 | **2,787** | 146 |
| IMRF | 2,765 | 2,765 | **2,475** | 290 |
| Employee insurance premiums | 1,653 | 1,653 | **2,987** | (1,334) |
| | 7,351 | 7,351 | **8,249** | (898) |
| Commodities: | | | | |
| Repairs and maintenance | 5,000 | 5,000 | **494** | 4,506 |
| TPS - software/hosting | 5,040 | 5,040 | **5,760** | (720) |
| Other | 4,300 | 4,300 | **2,195** | 2,105 |
| | 14,340 | 14,340 | **8,449** | 5,891 |
| Contractual services: | | | | |
| Payments to Union Pacific | 24,760 | 24,760 | **23,103** | 1,657 |
| Postage | 1,000 | 1,000 | **973** | 27 |
| Credit card fees | 15,900 | 15,900 | **14,435** | 1,465 |
| TPS - service contract | 7,068 | 7,068 | **7,068** | - |
| Other professional services | 400,000 | 400,000 | **14,770** | 385,230 |
| | 448,728 | 448,728 | **60,349** | 388,379 |
| Repairs and maintenance: | | | | |
| Grass mowing services | 3,000 | 3,000 | **3,144** | (144) |
| **Total parking operations** | 511,079 | 511,079 | **117,140** | 393,939 |
| Depreciation | 600,000 | 600,000 | **31,577** | 568,423 |
| **Total operating expenses** | $ 1,111,079 | $ 1,111,079 | **$ 148,717** | $ 962,362 |

**Village of Cary, Illinois**
**Agency Fund - Special Assessment Funds**
**Combining Statement of Changes in Assets and Liabilities**
**For the Year Ended April 30, 2016**

| | Balance May 1, 2015 | Additions | Deductions | **Balance April 30, 2016** |
|---|---|---|---|---|
| **All Funds:** | | | | |
| **Assets** | | | | |
| Cash | $ 2,358,028 | $ 1,589,594 | $ 1,702,350 | **$ 2,245,272** |
| Receivables - taxes | 1,480,002 | 1,490,000 | 1,480,002 | **1,490,000** |
| | $ 3,838,030 | $ 3,079,594 | $ 3,182,352 | **$ 3,735,272** |
| **Liabilities** | | | | |
| Due to bondholders | $ 3,838,030 | $ 3,079,594 | $ 3,182,352 | **$ 3,735,272** |
| **Special Service Area #1 Fund:** | | | | |
| **Assets** | | | | |
| Cash | $ 1,228,698 | $ 710,918 | $ 880,962 | **$ 1,058,654** |
| Receivables - taxes | 645,002 | 655,001 | 645,002 | **655,001** |
| | $ 1,873,700 | $ 1,365,919 | $ 1,525,964 | **$ 1,713,655** |
| **Liabilities** | | | | |
| Due to bondholders | $ 1,873,700 | $ 1,365,919 | $ 1,525,964 | **$ 1,713,655** |
| **Special Service Area #2 Fund:** | | | | |
| **Assets** | | | | |
| Cash | $ 1,129,330 | $ 878,676 | $ 821,388 | **$ 1,186,618** |
| Receivables - taxes | 835,000 | 834,999 | 835,000 | **834,999** |
| | $ 1,964,330 | $ 1,713,675 | $ 1,656,388 | **$ 2,021,617** |
| **Liabilities** | | | | |
| Due to bondholders | $ 1,964,330 | $ 1,713,675 | $ 1,656,388 | **$ 2,021,617** |

**Village of Cary, Illinois**
**Long-term Debt Requirement**
**General Obligation Alternate Revenue Source Bonds of 2009**
**April 30, 2016**

| | |
|---|---|
| Date of Issue | October 28, 2009 |
| Date of Maturity | November 1, 2024 |
| Authorized Issue | $5,000,000 |
| Denomination of Bonds | $5,000 |
| Interest Rates | 1.30% to 5.20% |
| Interest Dates | May 1 and November 1 |
| Principal Maturity Date | November 1 |
| Payable at | Amalgamated Bank |

## Current and Future Principal and Interest Requirements

| Fiscal | Requirements | | | Interest Due on | | | |
|---|---|---|---|---|---|---|---|
| Year | Principal | Interest | Totals | May 1 | Amount | Nov. 1 | Amount |
| 2017 | $ 310,000 | $ 155,732 | $ 465,732 | 2016 | $ 77,866 | 2016 | $ 77,866 |
| 2018 | 320,000 | 144,107 | 464,107 | 2017 | 72,054 | 2017 | 72,053 |
| 2019 | 335,000 | 130,907 | 465,907 | 2018 | 65,454 | 2018 | 65,453 |
| 2020 | 350,000 | 116,000 | 466,000 | 2019 | 58,000 | 2019 | 58,000 |
| 2021 | 365,000 | 100,075 | 465,075 | 2020 | 50,038 | 2020 | 50,037 |
| 2022 | 380,000 | 82,920 | 462,920 | 2021 | 41,460 | 2021 | 41,460 |
| 2023 | 400,000 | 64,300 | 464,300 | 2022 | 32,150 | 2022 | 32,150 |
| 2024 | 420,000 | 44,300 | 464,300 | 2023 | 22,150 | 2023 | 22,150 |
| 2025 | 440,000 | 22,880 | 462,880 | 2024 | 11,440 | 2024 | 11,440 |
| | $ 3,320,000 | $ 861,221 | $ 4,181,221 | | $ 430,612 | | $ 430,609 |

**Village of Cary, Illinois**
**Long-term Debt Requirement**
**Water and Sanitation Refunding Revenue Bonds of 2005**
**April 30, 2016**

| | |
|---|---|
| Date of Issue | February 16, 2005 |
| Date of Maturity | May 1, 2017 |
| Authorized Issue | $2,975,000 |
| Denomination of Bonds | $5,000 |
| Interest Rates | 2.10% to 4.50% |
| Interest Dates | May 1 and November 1 |
| Principal Maturity Date | May 1 |
| Payable at | The Bank of New York Mellon |

## Current and Future Principal and Interest Requirements

| Fiscal | Requirements | | | Interest Due on | | | |
|---|---|---|---|---|---|---|---|
| Year | Principal | Interest | Totals | May 1 | Amount | Nov. 1 | Amount |
| 2017 | $ 290,000 | $ 17,406 | $ 307,406 | 2016 | $ 11,458 | 2016 | $ 5,948 |
| 2018 | 305,000 | 5,948 | 310,948 | 2017 | 5,948 | 2017 | - |
| | $ 595,000 | $ 23,354 | $ 618,354 | | $ 17,406 | | $ 5,948 |

**Village of Cary, Illinois**
**Long-term Debt Requirement**
**IEPA Loan of 2002**
**April 30, 2016**

| | |
|---|---|
| Date of Issue | November 19, 2002 |
| Date of Maturity | May 1, 2024 |
| Authorized Issue | $10,000,000 |
| Interest Rates | 2.57% |
| Interest Dates | April 30 and October 30 |
| Principal Maturity Date | April 30 |
| Payable at | Illinois Environmental Protection Agency |

## Current and Future Principal and Interest Requirements

| Fiscal Year | Requirements | | |
|---|---|---|---|
| | Principal | Interest | Totals |
| 2017 | $ 381,979 | $ 83,586 | $ 465,565 |
| 2018 | 391,859 | 73,706 | 465,565 |
| 2019 | 401,995 | 63,570 | 465,565 |
| 2020 | 412,392 | 53,173 | 465,565 |
| 2021 | 423,059 | 42,507 | 465,566 |
| 2022 | 434,001 | 31,564 | 465,565 |
| 2023 | 445,227 | 20,338 | 465,565 |
| 2024 | 456,743 | 8,822 | 465,565 |
| | $3,347,255 | $ 377,266 | $3,724,521 |

**Village of Cary, Illinois**
**Schedule of Insurance in Force**
**For the Year Ended April 30, 2016**

| | | |
|---|---|---|
| General Liability: | $ | 10,000,000 |
| Police Professional | | |
| Employee Benefits | | |
| Professional Liability (Fire/Paramedic) | | |
| Abuse/Molestation | | |
| Auto Liability: | $ | 10,000,000 |
| Uninsured/Underinsured Motorist | $ | 500,000 |
| Public Officials' Liability: | $ | 10,000,000 |
| Employment Practices | | |
| Workers' Compensation: | | Statutory |
| Employer's Liability | $ | 2,500,000 |
| First Party Property - All Risk: | $ | 250,000,000 per occurrence |
| Flood Zone A/V | $ | 3,500,000 |
| Flood Zone (Non-None A/V) | $ | 40,000,000 |
| Contingent Business Interruption (Sales Tax) | $ | 10,000,000 |
| Scheduled Emergency Vehicles - Agreed Value | | Scheduled |
| Boiler/Machinery | $ | 50,000,000 |
| Crime: | | |
| Employee Theft (Dishonesty) | $ | 5,000,000 |
| Forgery, Alteration and Counterfeit Currency | $ | 5,000,000 |
| Credit Card Forgery | $ | 5,000,000 |
| Computer Fraud | $ | 5,000,000 |
| Non-Faithful Performance | $ | 2,500,000 |
| Public Officials' Bonds: | | |
| Mayor/President, Treasurer, Clerk | | Statutory limits |
| Special District Trustees | | As scheduled |
| Supplemental | | |
| Yearly Aggregates: | | |
| Member Annual payment Cap (Applies to General/Auto Liability and Public Officials Liability Loss Fund Payments only) | $ | 6,000,000 |
| Agency Aggregate Cap | $ | 67,755,389 |

# STATISTICAL SECTION

This part of the Village of Cary's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Village's overall financial health.

**Contents** **Page**


**Financial Trends** 108 – 121

These schedules contain trend information to help the reader understand how the Village's financial performance and wellbeing have changed over time.

**Revenue Capacity** 122 – 127

These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.

**Debt Capacity** 128 – 133

These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.

**Demographic and Economic Information** 134 – 136

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place, and to help make comparisons over time and with other governments.

**Operating Information** 137– 142

These schedules contain information about the Village's operations and resources, to help the reader understand how the Village's financial information relates to the services the Village provides and the activities it performs.

**Village of Cary, Illinois**
**Net Position By Component**
**Last Ten Fiscal Years**
**(Accrual Basis of Accounting)**

| | Fiscal Year Ended April 30, | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2016** | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| Governmental activities: | | | | | | | | | | |
| Net investment in capital assets | **$ 17,287,059** | $ 16,096,921 | $ 14,351,002 | $ 12,483,248 | $ 12,481,419 | $ 12,314,335 | $ 12,054,989 | $ 11,048,030 | $ 10,287,049 | $ 9,086,901 |
| Restricted | **1,402,674** | 1,310,096 | 1,762,993 | 2,827,568 | 1,715,581 | 1,695,557 | 1,176,260 | 1,323,392 | 1,029,543 | 842,230 |
| Unrestricted | **1,810,797** | 11,789,990 | 11,727,388 | 11,563,949 | 11,506,578 | 9,943,411 | 8,567,731 | 7,345,536 | 6,707,260 | 7,179,978 |
| **Total governmental activities** | **$ 20,500,530** | $ 29,197,007 | $ 27,841,383 | $ 26,874,765 | $ 25,703,578 | $ 23,953,303 | $ 21,798,980 | $ 19,716,958 | $ 18,023,852 | $ 17,109,109 |
| Business-type activities: | | | | | | | | | | |
| Net investment in capital assets | **$ 9,493,205** | $ 9,215,304 | $ 8,575,305 | $ 7,983,599 | $ 8,149,404 | $ 6,761,060 | $ 6,934,536 | $ 7,216,158 | $ 7,506,134 | $ 7,397,329 |
| Restricted | **1,710,000** | 1,902,000 | 1,908,000 | 1,918,000 | 1,954,000 | 2,277,000 | 2,365,000 | 2,365,000 | 2,365,000 | 2,365,000 |
| Unrestricted | **6,247,320** | 6,928,847 | 7,617,711 | 7,921,726 | 7,666,814 | 9,204,721 | 9,291,237 | 9,610,125 | 10,093,967 | 9,788,202 |
| **Total business-type activities** | **$ 17,450,525** | $ 18,046,151 | $ 18,101,016 | $ 17,823,325 | $ 17,770,218 | $ 18,242,781 | $ 18,590,773 | $ 19,191,283 | $ 19,965,101 | $ 19,550,531 |
| Primary government: | | | | | | | | | | |
| Net investment in capital assets | **$ 26,780,264** | $ 25,312,225 | $ 22,926,307 | $ 20,466,847 | $ 20,630,823 | $ 19,075,395 | $ 18,989,525 | $ 18,264,188 | $ 17,793,183 | $ 16,484,230 |
| Restricted | **3,112,674** | 3,212,096 | 3,670,993 | 4,745,568 | 3,669,581 | 3,972,557 | 3,541,260 | 3,688,392 | 3,394,543 | 3,207,230 |
| Unrestricted | **8,058,117** | 18,718,837 | 19,345,099 | 19,485,675 | 19,173,392 | 19,148,132 | 17,858,968 | 16,955,661 | 16,801,227 | 16,968,180 |
| **Total primary government** | **$ 37,951,055** | $ 47,243,158 | $ 45,942,399 | $ 44,698,090 | $ 43,473,796 | $ 42,196,084 | $ 40,389,753 | $ 38,908,241 | $ 37,988,953 | $ 36,659,640 |

Source: Audited financial statements.

See independent auditor's report.

**Village of Cary, Illinois**
**Change in Net Position**
**Last Ten Fiscal Years**
**(Accrual Basis of Accounting)**

| | Fiscal Year Ended April 30, | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2016** | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| Expenses: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | **$ 2,256,285** | $ 1,989,830 | $ 2,121,799 | $ 1,795,810 | $ 1,384,571 | $ 1,275,089 | $ 1,329,254 | $ 1,395,160 | $ 1,178,269 | $ 1,274,362 |
| Public safety | **4,799,002** | 4,435,935 | 4,263,792 | 4,181,552 | 3,944,491 | 3,882,550 | 3,763,669 | 3,725,837 | 3,829,926 | 3,501,396 |
| Highways and streets | **2,562,140** | 2,785,008 | 2,382,850 | 2,514,665 | 2,607,979 | 2,496,961 | 2,213,257 | 2,839,734 | 2,884,970 | 4,878,701 |
| Interest on long-term debt | **95,873** | 98,048 | 107,928 | 102,516 | 105,423 | 107,100 | 137,652 | - | - | - |
| **Total governmental activities expenses** | **9,713,300** | 9,308,821 | 8,876,369 | 8,594,543 | 8,042,464 | 7,761,700 | 7,443,832 | 7,960,731 | 7,893,165 | 9,654,459 |
| Business-type activities: | | | | | | | | | | |
| Water and sanitation | **3,620,742** | 3,615,787 | 3,434,323 | 3,490,479 | 3,802,956 | 3,832,031 | 3,932,616 | 4,063,923 | 4,218,256 | 4,172,813 |
| Parking | **148,717** | 129,734 | 148,444 | 171,710 | 137,737 | 159,455 | 145,707 | 189,406 | 170,057 | 230,806 |
| **Total business-type activities expenses** | **3,769,459** | 3,745,521 | 3,582,767 | 3,662,189 | 3,940,693 | 3,991,486 | 4,078,323 | 4,253,329 | 4,388,313 | 4,403,619 |
| **Total expenses** | **$ 13,482,759** | $ 13,054,342 | $ 12,459,136 | $ 12,256,732 | $ 11,983,157 | $ 11,753,186 | $ 11,522,155 | $ 12,214,060 | $ 12,281,478 | $ 14,058,078 |
| Program revenues: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | **$ 1,545,343** | $ 1,682,532 | $ 1,628,657 | $ 1,653,955 | $ 1,552,448 | $ 1,535,779 | $ 1,444,865 | $ 1,539,253 | $ 945,997 | $ 953,441 |
| Public safety | **207,788** | 217,901 | 204,699 | 248,592 | 247,475 | 218,587 | 339,673 | 305,673 | 432,415 | 479,314 |
| Highways and streets | **2,349** | 7,025 | 11,014 | 17,968 | 7,635 | 10,682 | 40,389 | 20,267 | 9,372 | 23,486 |
| Operating grants and contributions | **686,301** | 834,664 | 754,042 | 734,396 | 555,619 | 619,432 | 499,837 | 511,141 | 574,854 | 566,282 |
| Capital grants and contributions | **606,418** | 654,145 | - | - | 10,000 | - | - | 52,493 | 6,107 | 12,000 |
| **Total governmental activities program revenues** | **3,048,199** | 3,396,267 | 2,598,412 | 2,654,911 | 2,373,177 | 2,384,480 | 2,324,764 | 2,428,827 | 1,968,745 | 2,034,523 |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Water and sanitation | **3,426,163** | 3,404,181 | 3,571,807 | 3,484,194 | 3,063,041 | 3,199,997 | 3,039,317 | 3,058,131 | 3,292,541 | 3,273,170 |
| Parking | **233,815** | 244,288 | 213,504 | 214,857 | 183,195 | 189,259 | 185,394 | 191,213 | 156,833 | 153,588 |
| Operating grants and contributions | - | - | 3,648,469 | - | - | - | - | - | - | - |
| Capital grants and contributions | - | - | - | - | - | - | - | - | - | - |
| **Total business-type activities program revenues** | **3,659,978** | 3,648,469 | 7,433,780 | 3,699,051 | 3,246,236 | 3,389,256 | 3,224,711 | 3,249,344 | 3,449,374 | 3,426,758 |
| **Total program revenues** | **$ 6,708,177** | $ 7,044,736 | $ 10,032,192 | $ 6,353,962 | $ 5,619,413 | $ 5,773,736 | $ 5,549,475 | $ 5,678,171 | $ 5,418,119 | $ 5,461,281 |

(cont'd)

**Village of Cary, Illinois**
**Change in Net Position** (cont'd)
**Last Ten Fiscal Years**
**(Accrual Basis of Accounting)**

| | Fiscal Year Ended April 30, | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2016** | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| Net (expense) revenue: | | | | | | | | | | |
| Governmental activities | **$ (6,665,101)** | $ (5,912,554) | $ (6,277,957) | $ (5,939,632) | $ (5,669,287) | $ (5,377,220) | $ (5,119,068) | $ (5,531,904) | $ (5,924,420) | $ (7,619,936) |
| Business-type activities | **(109,481)** | (97,052) | 3,851,013 | 36,862 | (694,457) | (602,230) | (853,612) | (1,003,985) | (938,939) | (976,861) |
| **Total net (expense) revenue** | **$ (6,774,582)** | $ (6,009,606) | $ (2,426,944) | $ (5,902,770) | $ (6,363,744) | $ (5,979,450) | $ (5,972,680) | $ (6,535,889) | $ (6,863,359) | $ (8,596,797) |
| General revenues and other changes in net position: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property taxes | **$ 2,816,328** | $ 2,829,185 | $ 2,803,968 | $ 2,744,395 | $ 2,774,117 | $ 2,680,371 | $ 2,648,386 | $ 2,485,868 | $ 2,399,334 | $ 2,273,191 |
| Sales taxes | **1,320,741** | 1,289,922 | 1,270,566 | 1,212,286 | 1,210,495 | 1,140,935 | 1,128,247 | 1,208,071 | 1,284,645 | 1,224,927 |
| Utility taxes | **577,822** | 586,335 | 607,006 | 634,258 | 887,214 | 942,638 | 932,865 | 720,661 | 688,230 | 673,256 |
| Intergovernmental: | | | | | | | | | | |
| Income taxes | **1,851,995** | 1,873,878 | 1,847,712 | 1,728,756 | 1,548,030 | 1,448,433 | 1,442,985 | 1,647,971 | 1,763,071 | 1,576,513 |
| Local use taxes | **423,950** | 376,844 | 320,557 | 293,213 | 266,558 | 269,289 | 222,538 | 264,067 | 263,953 | 238,256 |
| Replacement taxes | **82,518** | 81,005 | 82,071 | 72,691 | 74,265 | 81,160 | 73,259 | 82,618 | 89,230 | 80,017 |
| Interest income | **83,833** | 85,791 | 155,468 | 218,478 | 116,127 | 144,978 | 106,417 | 149,858 | 336,166 | 467,891 |
| Miscellaneous | **144,657** | 145,216 | 157,227 | 206,742 | 542,756 | 823,739 | 646,393 | 665,896 | 190,824 | 509,607 |
| Transfers - internal activity | - | - | - | - | - | - | - | - | - | - |
| **Total governmental activities** | **7,301,844** | 7,268,176 | 7,244,575 | 7,110,819 | 7,419,562 | 7,531,543 | 7,201,090 | 7,225,010 | 7,015,453 | 7,043,658 |
| Business-type activities: | | | | | | | | | | |
| Interest income | **64,766** | 42,187 | 75,147 | 61,525 | 69,175 | 102,667 | 101,505 | 138,665 | 506,021 | 654,797 |
| Miscellaneous | - | - | - | - | 152,719 | 151,571 | 151,597 | 91,502 | 970,239 | 24,363 |
| Transfers - internal activity | - | - | - | - | - | - | - | - | - | - |
| **Total business-type activities** | **64,766** | 42,187 | 75,147 | 61,525 | 221,894 | 254,238 | 253,102 | 230,167 | 1,476,260 | 679,160 |
| **Total** | **$ 7,366,610** | $ 7,310,363 | $ 7,319,722 | $ 7,172,344 | $ 7,641,456 | $ 7,785,781 | $ 7,454,192 | $ 7,455,177 | $ 8,491,713 | $ 7,722,818 |
| Change in net position: | | | | | | | | | | |
| Governmental activities | **$ 636,743** | $ 1,355,622 | $ 966,618 | $ 1,171,187 | $ 1,750,275 | $ 2,154,323 | $ 2,082,022 | $ 1,693,106 | $ 1,091,033 | $ (576,278) |
| Business-type activities | **(44,715)** | (54,865) | 3,926,160 | 98,387 | (472,563) | (347,992) | (600,510) | (773,818) | 537,321 | (297,701) |
| **Total change in net position** | **$ 592,028** | $ 1,300,757 | $ 4,892,778 | $ 1,269,574 | $ 1,277,712 | $ 1,806,331 | $ 1,481,512 | $ 919,288 | $ 1,628,354 | $ (873,979) |

Source: Audited financial statements.

See independent auditor's report.

**Village of Cary, Illinois**
**Fund Balances of Governmental Funds**
**Last Ten Fiscal Years**
**(Modified Accrual Basis of Accounting)**

| | Fiscal Year Ended April 30, | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2016** | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| General Fund: | | | | | | | | | | |
| Reserved | **$ -** | $ - | $ - | $ - | $ - | $ 1,818,351 | $ 639,754 | $ 826,257 | $ 600,063 | $ 572,570 |
| Unreserved | **-** | - | - | - | - | 2,497,759 | 5,069,331 | 4,121,271 | 4,008,210 | 4,473,711 |
| Nonspendable | **934,554** | 868,607 | 780,145 | 800,966 | 1,031,997 | - | - | - | - | - |
| Restricted | **66,992** | 95,654 | 127,810 | 157,241 | 172,297 | - | - | - | - | - |
| Committed | **1,653,371** | 1,445,239 | 1,240,507 | 1,035,459 | 825,930 | - | - | - | - | - |
| Unassigned | **3,668,327** | 3,761,099 | 3,756,563 | 3,948,646 | 3,104,807 | - | - | - | - | - |
| **Total General Fund** | **$ 6,323,244** | $ 6,170,599 | $ 5,905,025 | $ 5,942,312 | $ 5,135,031 | $ 4,316,110 | $ 5,709,085 | $ 4,947,528 | $ 4,608,273 | $ 5,046,281 |
| All other governmental funds: | | | | | | | | | | |
| Reserved: | | | | | | | | | | |
| Other | **$ -** | $ - | $ - | $ - | $ - | $ 848,796 | $ 1,475,792 | $ 1,413,500 | $ 1,329,564 | $ 1,277,039 |
| Unreserved, reported in: | | | | | | | | | | |
| Special Revenue Funds | **-** | - | - | - | - | - | - | - | - | (7,569) |
| Capital Projects Funds | **-** | - | - | - | - | 9,861,412 | 8,527,715 | 3,047,473 | 2,381,226 | 2,176,498 |
| Nonspendable | **77,866** | 48,401 | 51,063 | 949,979 | - | - | - | - | - | - |
| Restricted | **1,335,682** | 1,214,442 | 1,635,183 | 2,670,327 | 1,549,668 | - | - | - | - | - |
| Assigned | **5,852,521** | 6,246,157 | 6,824,780 | 6,623,571 | 8,374,732 | - | - | - | - | - |
| **Total all other governmental funds** | **$ 7,266,069** | $ 7,509,000 | $ 8,511,026 | $ 10,243,877 | $ 9,924,400 | $ 10,710,208 | $ 10,003,507 | $ 4,460,973 | $ 3,710,790 | $ 3,445,968 |
| **Total governmental funds** | **$ 13,589,313** | $ 13,679,599 | $ 14,416,051 | $ 16,186,189 | $ 15,059,431 | $ 15,026,318 | $ 15,712,592 | $ 9,408,501 | $ 8,319,063 | $ 8,492,249 |

Note - The City adopted GASB Statement No. 54 in the fiscal year ended April 30, 2012.

Source: Audited financial statements.

See independent auditor's report.

**Village of Cary, Illinois**
**General Governmental Revenues By Source**
**Last Ten Fiscal Years**
**(Modified Accrual Basis of Accounting)**

| | Fiscal Year Ended April 30, | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **2016** | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| Taxes | **$ 4,714,891** | $ 4,705,442 | $ 4,681,540 | $ 4,590,939 | $ 4,871,826 | $ 4,763,944 | $ 4,709,498 | $ 4,414,600 | $ 4,372,209 | $ 4,171,374 |
| Licenses and permits | **264,194** | 234,196 | 207,152 | 167,562 | 271,250 | 336,015 | 224,393 | 196,961 | 346,611 | 354,932 |
| Intergovernmental | **3,542,058** | 3,279,330 | 2,804,382 | 2,629,056 | 2,454,472 | 2,418,314 | 2,238,619 | 2,558,290 | 2,697,215 | 2,473,068 |
| Charges for services | **1,574,681** | 1,485,602 | 1,460,966 | 1,832,911 | 1,659,898 | 1,584,234 | 1,681,160 | 1,820,301 | 1,093,381 | 1,121,367 |
| Fines and forfeits | **164,152** | 188,892 | 177,123 | 231,552 | 237,655 | 207,582 | 303,330 | 283,120 | 404,893 | 437,078 |
| Interest | **98,328** | 55,052 | 109,704 | 100,294 | 116,127 | 144,978 | 106,417 | 149,858 | 336,166 | 467,891 |
| Miscellaneous | **347,115** | 343,984 | 356,356 | 406,742 | 542,756 | 823,739 | 646,393 | 665,896 | 190,824 | 509,607 |
| | **$ 10,705,419** | $ 10,292,498 | $ 9,797,223 | $ 9,959,056 | $ 10,153,984 | $ 10,278,806 | $ 9,909,810 | $ 10,089,026 | $ 9,441,299 | $ 9,535,317 |

See independent auditor's report.

## Village of Cary, Illinois
## General Governmental Expenditures By Function
## Last Ten Fiscal Years
## (Modified Accrual Basis of Accounting)

| | Fiscal Year Ended April 30, | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2016** | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| General government | **$ 1,736,917** | $ 1,641,616 | $ 1,594,885 | $ 1,834,714 | $ 1,573,688 | $ 1,558,821 | $ 1,593,637 | $ 1,721,748 | $ 1,601,770 | $ 1,676,005 |
| Public safety | **4,481,464** | 4,338,649 | 4,209,562 | 3,997,155 | 3,926,103 | 3,805,368 | 3,584,379 | 3,613,281 | 3,683,179 | 3,411,763 |
| Highways and streets | **3,392,960** | 3,247,550 | 3,626,395 | 1,874,182 | 1,776,052 | 1,879,677 | 2,234,917 | 2,685,804 | 2,402,293 | 2,308,680 |
| Capital outlay | **787,275** | 1,408,449 | 894,507 | 1,602,029 | 2,468,380 | 3,347,266 | 1,110,058 | 978,755 | 1,750,953 | 4,379,318 |
| Debt service: | | | | | | | | | | |
| Principal | **300,000** | 290,000 | 280,000 | 275,000 | 270,000 | 265,000 | - | - | - | - |
| Interest and fiscal charges | **97,089** | 102,686 | 107,012 | 104,218 | 106,648 | 108,948 | 82,728 | - | - | - |
| | **$ 10,795,705** | $ 11,028,950 | $ 10,712,361 | $ 9,687,298 | $ 10,120,871 | $ 10,965,080 | $ 8,605,719 | $ 8,999,588 | $ 9,438,195 | $ 11,775,766 |

See independent auditor's report.

## Village of Cary, Illinois
## Changes in Fund Balances of Governmental Funds
## Last Ten Fiscal Years
## (Modified Accrual Basis of Accounting)

| | Fiscal Year Ended April 30, | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2016** | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| Revenues: | | | | | | | | | | |
| Taxes | **$ 4,714,891** | $ 4,705,442 | $ 4,681,540 | $ 4,590,939 | $ 4,871,826 | $ 4,763,944 | $ 4,709,498 | $ 4,414,600 | $ 4,372,209 | $ 4,171,374 |
| Licenses and permits | **264,194** | 234,196 | 207,152 | 167,562 | 271,250 | 336,015 | 224,393 | 196,961 | 346,611 | 354,932 |
| Intergovernmental | **3,542,058** | 3,279,330 | 2,804,382 | 2,629,056 | 2,454,472 | 2,418,314 | 2,238,619 | 2,558,290 | 2,697,215 | 2,473,068 |
| Charges for services and fees | **1,574,681** | 1,485,602 | 1,460,966 | 1,832,911 | 1,659,898 | 1,584,234 | 1,681,160 | 1,820,301 | 1,093,381 | 1,121,367 |
| Fines and forfeits | **164,152** | 188,892 | 177,123 | 231,552 | 237,655 | 207,582 | 303,330 | 283,120 | 404,893 | 437,078 |
| Investment income | **98,328** | 55,052 | 109,704 | 100,294 | 116,127 | 144,978 | 106,417 | 149,858 | 336,166 | 467,891 |
| Miscellaneous | **347,115** | 343,984 | 356,356 | 406,742 | 542,756 | 823,739 | 646,393 | 665,896 | 190,824 | 509,607 |
| **Total revenues** | **10,705,419** | 10,292,498 | 9,797,223 | 9,959,056 | 10,153,984 | 10,278,806 | 9,909,810 | 10,089,026 | 9,441,299 | 9,535,317 |
| Expenditures: | | | | | | | | | | |
| General government | **1,736,917** | 1,641,616 | 1,594,885 | 1,834,714 | 1,573,688 | 1,558,821 | 1,593,637 | 1,721,748 | 1,601,770 | 1,676,005 |
| Public safety | **4,481,464** | 4,338,649 | 4,209,562 | 3,997,155 | 3,926,103 | 3,805,368 | 3,584,379 | 3,613,281 | 3,683,179 | 3,411,763 |
| Highways and streets | **3,392,960** | 3,247,550 | 3,626,395 | 1,874,182 | 1,776,052 | 1,879,677 | 2,234,917 | 2,685,804 | 2,402,293 | 2,308,680 |
| Capital outlay | **787,275** | 1,408,449 | 894,507 | 1,602,029 | 2,468,380 | 3,347,266 | 1,110,058 | 978,755 | 1,750,953 | 4,379,318 |
| Debt service: | | | | | | | | | | |
| Principal | **300,000** | 290,000 | 280,000 | 275,000 | 270,000 | 265,000 | - | - | - | - |
| Interest and fiscal charges | **97,089** | 102,686 | 107,012 | 104,218 | 106,648 | 108,948 | 82,728 | - | - | - |
| **Total expenditures** | **10,795,705** | 11,028,950 | 10,712,361 | 9,687,298 | 10,120,871 | 10,965,080 | 8,605,719 | 8,999,588 | 9,438,195 | 11,775,766 |
| **Revenues over (under) expenditures before other financing sources (uses)** | **(90,286)** | (736,452) | (915,138) | 271,758 | 33,113 | (686,274) | 1,304,091 | 1,089,438 | 3,104 | (2,240,449) |
| Other financing sources (uses): | | | | | | | | | | |
| Proceeds from bonds | - | - | - | - | - | - | 5,000,000 | - | - | - |
| Transfers in | **805,858** | 35,000 | 500,000 | - | - | 3,411,009 | 15,966 | 500,000 | 1,000,000 | 2,225,000 |
| Transfers out | **(805,858)** | (35,000) | (500,000) | - | - | (3,411,009) | (15,966) | (500,000) | (1,000,000) | (2,225,000) |
| **Total other financing sources (uses)** | - | - | - | - | - | - | 5,000,000 | - | - | - |
| **Net changes in fund balances** | **$ (90,286)** | $ (736,452) | $ (915,138) | $ 271,758 | $ 33,113 | $ (686,274) | $ 6,304,091 | $ 1,089,438 | $ 3,104 | $ (2,240,449) |
| **Debt service as a percentage of noncapital expenditures** | **4.35%** | 4.42% | 4.55% | 4.46% | 4.92% | 4.91% | 1.10% | 0.00% | 0.00% | 0.00% |

Source: Audited financial statements.

See independent auditor's report.

**Village of Cary, Illinois**
**Assessed Value and Actual Value of Taxable Property**
**Last Ten Levy Years**

| Tax Levy Year | Residential Property | Farm | Mineral | Commercial Property | Industrial Property | Total Taxable Assessed Value | Railroad | Total Assessed Value | Total Direct Tax Rate |
|---|---|---|---|---|---|---|---|---|---|
| 2006 | $ 488,914,548 | $ 411,071 | $ - | $ 34,531,927 | $ 45,788,562 | $ 569,646,108 | $ 227,115 | $ 569,873,223 | 0.3704 |
| 2007 | 521,227,953 | 432,880 | - | 38,915,104 | 47,710,795 | 608,286,732 | 249,211 | 608,535,943 | 0.3588 |
| 2008 | 520,209,447 | 451,758 | - | 42,576,420 | 48,603,179 | 611,840,804 | 272,323 | 612,113,127 | 0.3742 |
| 2009 | 513,749,154 | 454,716 | - | 42,177,116 | 49,295,550 | 605,676,536 | 327,697 | 606,004,233 | 0.3797 |
| 2010 | 488,018,596 | 470,473 | - | 41,538,817 | 48,893,148 | 578,921,034 | 409,357 | 579,330,391 | 0.4087 |
| 2011 | 428,686,470 | 476,777 | - | 37,628,751 | 43,410,821 | 510,202,819 | 434,895 | 510,637,714 | 0.4672 |
| 2012 | 380,323,393 | 437,594 | 245,291 | 33,061,571 | 39,302,313 | 453,370,162 | 491,785 | 453,861,947 | 0.5398 |
| 2013 | 342,991,722 | 406,989 | 239,471 | 30,971,664 | 35,493,313 | 410,103,159 | 607,192 | 410,710,351 | 0.6092 |
| 2014 | 328,501,263 | 484,621 | 239,471 | 29,165,835 | 33,277,807 | 391,668,997 | 633,081 | 392,302,078 | 0.6400 |
| **2015** | **339,553,611** | **646,115** | **239,471** | **30,223,413** | **34,561,656** | **405,224,266** | **759,859** | **405,984,125** | **0.6194** |

Source: McHenry County Clerk.

Note: Property in the Village is assessed using a multiplier of 33.3%, therefore the estimated actual taxable values are equal to assessed values times 3. Tax rates are per $100 of assessed value.

See independent auditor's report.

**Village of Cary, Illinois**
**Direct and Overlapping Property Tax Rates**
**Last Ten Levy Years**

| | **2015** | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|---|---|---|---|
| Village of Cary: | | | | | | | | | | |
| Corporate | **$ 0.0283** | $ 0.0636 | $ 0.0587 | $ 0.0586 | $ 0.0825 | $ 0.0719 | $ 0.1102 | $ 0.1360 | $ 0.1360 | $ 0.1355 |
| Illinois Municipal Retirement | **0.0555** | 0.0574 | 0.0548 | 0.0496 | 0.0282 | 0.0248 | 0.0258 | 0.0262 | 0.0229 | 0.0239 |
| Police protection | **0.2467** | 0.2549 | 0.2435 | 0.2203 | 0.1885 | 0.1652 | 0.1007 | 0.0898 | 0.0818 | 0.0856 |
| Audit | **0.0001** | 0.0001 | 0.0001 | 0.0001 | 0.0014 | 0.0012 | 0.0007 | 0.0020 | 0.0024 | 0.0042 |
| Liability insurance | **0.0555** | 0.0574 | 0.0548 | 0.0496 | 0.0393 | 0.0350 | 0.0383 | 0.0262 | 0.0401 | 0.0420 |
| ESDA | **-** | - | - | - | - | - | - | 0.0001 | 0.0003 | 0.0008 |
| Social Security | **0.0555** | 0.0574 | 0.0548 | 0.0496 | 0.0373 | 0.0331 | 0.0368 | 0.0392 | 0.0252 | 0.0263 |
| School crossing guard | **-** | - | - | - | 0.0014 | 0.0012 | 0.0020 | 0.0046 | 0.0049 | 0.0087 |
| Unemployment insurance | **-** | - | - | - | - | - | 0.0003 | 0.0003 | 0.0011 | 0.0026 |
| Police pension | **0.1777** | 0.1492 | 0.1425 | 0.1120 | 0.0885 | 0.0763 | 0.0649 | 0.0499 | 0.0441 | 0.0408 |
| **Total direct tax rate** | **0.6193** | 0.6400 | 0.6092 | 0.5398 | 0.4671 | 0.4087 | 0.3797 | 0.3743 | 0.3588 | 0.3704 |
| Overlapping rates: | | | | | | | | | | |
| McHenry County | **1.0781** | 1.1412 | 1.0960 | 0.9958 | 0.8879 | 0.7927 | 0.7157 | 0.7014 | 0.6871 | 0.7060 |
| McHenry County Conservation District | **0.2766** | 0.2840 | 0.2748 | 0.2481 | 0.2191 | 0.1956 | 0.1775 | 0.1732 | 0.1738 | 0.4133 |
| Algonquin Township | **0.0828** | 0.0850 | 0.2648 | 0.2368 | 0.2109 | 0.1847 | 0.1704 | 0.1674 | 0.1634 | 0.1677 |
| Cary Fire Protection District | **0.6220** | 0.6547 | 0.6153 | 0.5446 | 0.4712 | 0.4101 | 0.3789 | 0.3735 | 0.3615 | 0.3724 |
| Cary Park District | **0.8818** | 0.9027 | 0.8360 | 0.7580 | 0.6591 | 0.5752 | 0.5352 | 0.5282 | 0.5080 | 0.5240 |
| Cary Area Library | **0.2876** | 0.2935 | 0.2761 | 0.2440 | 0.2118 | 0.1849 | 0.1708 | 0.1681 | 0.1611 | 0.1655 |
| School District #26 | **4.6246** | 4.7482 | 4.4433 | 3.9289 | 3.3759 | 2.9158 | 2.6982 | 2.6650 | 2.6142 | 2.6871 |
| High School District #155 | **3.0255** | 3.0948 | 2.9613 | 2.6550 | 2.2979 | 2.0347 | 1.9054 | 1.8647 | 1.8213 | 1.8697 |
| Community College District #528 | **0.4348** | 0.4453 | 0.4306 | 0.3921 | 0.3395 | 0.3039 | 0.2739 | 0.2686 | 0.2634 | 0.2741 |
| **Total direct and overlapping tax rate** | **11.9331** | 12.2894 | 11.8074 | 10.5431 | 9.1404 | 8.0063 | 7.4057 | 7.2844 | 7.1126 | 7.5502 |

Source: McHenry County Clerk.

See independent auditor's report.

## Village of Cary, Illinois
## Principal Property Taxpayers
## Current Year and Nine Years Ago

| | 2016 | | | 2007 | | |
|---|---|---|---|---|---|---|
| Taxpayer | **Taxable Assessed Value** | **Rank** | **Percent of Total District Taxable Assessed Value** | Taxable Assessed Value | Rank | Percent of Total District Taxable Assessed Value |
| Cary Corners LLC (Sage) | **$ 5,818,507** | **1** | **1.43%** | $ 5,105,977 | 1 | 0.96% |
| Tru Serv | **3,708,697** | **2** | **0.91%** | 3,979,046 | 3 | 0.75% |
| Three Oaks Pheasant KX Et Al | **2,635,316** | **3** | **0.65%** | - | - | - |
| Seaquist Perfect Dispensing LLC | **2,072,885** | **4** | **0.51%** | 2,127,343 | 6 | 0.40% |
| Harris Trust | **1,403,989** | **6** | **0.35%** | - | - | - |
| Greenspire Oak Knoll LLC | **1,163,722** | **5** | **0.29%** | - | - | - |
| PB J XXX II | **1,058,820** | **7** | **0.26%** | - | - | - |
| Cary Point LLC | **1,046,192** | **8** | **0.26%** | - | - | - |
| Hooker, Larry | **1,014,858** | **9** | **0.25%** | | | |
| BAMO II A REO IL IND LLC | **942,200** | **10** | **0.23%** | - | | - |
| HB Properties | - | | - | 4,230,283 | 2 | 0.79% |
| Cary Square | - | | - | 2,702,848 | 4 | 0.51% |
| Larlee Grace | - | | - | 1,541,510 | 8 | 0.29% |
| Soltis Family LLC | - | | - | 1,226,384 | 9 | 0.23% |
| Oak Knoll Apt. | | | | 1,824,735 | 7 | 0.34% |
| Durex | - | | - | 1,077,337 | 10 | 0.20% |
| Fox Valley Systems | - | | - | 2,247,851 | 5 | 0.42% |
| | **$ 20,865,186** | | **5.14%** | $ 26,063,314 | | 4.89% |

Source: McHenry County Treasurer.

Note: Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels, and it is possible that some parcels and their valuations have been overlooked.

See independent auditor's report.

**Village of Cary, Illinois**
**Property Tax Extensions and Collections**
**Last Ten Fiscal Years**

| Fiscal Year Ended April 30, | Taxes Levied for the Fiscal Year | Collected Within the Fiscal Year of the Levy | | Collections In Subsequent Years | Total Collections to Date | |
|---|---|---|---|---|---|---|
| | | Amount | Percentage of Extension | | Amount | Percentage of Extension |
| 2007 | $ 2,006,882 | $ 2,005,276 | 99.92 % | $ - | $ 2,005,276 | 99.92 % |
| 2008 | 2,111,065 | 2,108,533 | 99.88 | (1,636) | 2,106,897 | 99.80 |
| 2009 | 2,183,427 | 2,178,486 | 99.77 | 815 | 2,179,301 | 99.81 |
| 2010 | 2,290,527 | 2,287,330 | 99.86 | - | 2,287,330 | 99.86 |
| 2011 | 2,301,240 | 2,300,103 | 99.95 | 59 | 2,300,162 | 99.95 |
| 2012 | 2,368,303 | 2,367,202 | 99.95 | - | 2,367,202 | 99.95 |
| 2013 | 2,378,744 | 2,376,714 | 99.91 | - | 2,376,714 | 99.91 |
| 2014 | 2,449,951 | 2,448,625 | 99.95 | - | 2,448,625 | 99.95 |
| 2015 | 2,502,048 | 2,500,105 | 99.92 | - | 2,500,105 | 99.92 |
| **2016** | **2,510,559** | **2,507,890** | **99.89** | - | **2,507,890** | **99.89** |

Note: Above schedule excludes taxes levied and collected on special service areas. There is a two-year difference between the levy year and the fiscal year for which the taxes are levied.

Source: McHenry County Clerk.

See independent auditor's report.

# Village of Cary, Illinois
# Ratios of Outstanding Debt - By Type
# Last Ten Fiscal Years

| Fiscal Year Ended April 30, | Governmental Activities | | Business-type Activities | | Total Primary Government | Percentage of Personal Income | Per Capita |
|---|---|---|---|---|---|---|---|
| | General Obligation Bonds | Installment Contracts Payable | General Obligation Bonds | IEPA Loan | | | |
| 2007 | $ - | $ - | $ 6,410,000 | $ 6,379,572 | $ 12,789,572 | 16.65 % | $ 683.46 |
| 2008 | - | - | 5,895,000 | 6,076,024 | 11,971,024 | 15.59 | 639.72 |
| 2009 | - | - | 5,360,000 | 5,764,625 | 11,124,625 | 14.49 | 594.49 |
| 2010 | 5,000,000 | - | 4,815,000 | 5,445,171 | 15,260,171 | 19.87 | 815.49 |
| 2011 | 4,735,000 | - | 4,245,000 | 5,117,455 | 14,097,455 | 16.18 | 771.58 |
| 2012 | 4,465,000 | - | 2,315,000 | 4,781,262 | 11,561,262 | 13.27 | 632.77 |
| 2013 | 4,190,000 | - | 1,905,000 | 4,436,373 | 10,531,373 | 12.09 | 576.40 |
| 2014 | 3,910,000 | - | 1,490,000 | 4,082,564 | 9,482,564 | 10.88 | 519.00 |
| 2015 | 3,620,000 | - | 1,050,000 | 3,719,604 | 8,389,604 | 9.63 | 459.18 |
| **2016** | **3,320,000** | **-** | **595,000** | **3,347,255** | **7,262,255** | **8.33** | **400.92** |

Note: Population and personal income data can be found at page 134, Demographic and Economic Statistics.

Note 2: Effective in the fiscal year ended April 30, 2013, the City will no longer be a secondary source for repayment for the SSA bonds. These bonds have been removed from the above schedule beginning with the fiscal year ended April 30, 2013.

See independent auditor's report.

**Village of Cary, Illinois**
**Ratios of General Bonded Debt Outstanding to Equalized Assessed Value and Net General Obligation Bonded Debt Per Capita**
**Last Ten Fiscal Years**

| Fiscal Year Ended April 30, | General Obligation Debt | Less Amounts Available in Debt Service Funds | Net Bonded Debt | Percentage of Estimated Actual Taxable Value of Property | Per Capita |
|---|---|---|---|---|---|
| 2007 | $ - | $ - | $ - | 0.00% | $ - |
| 2008 | - | - | - | 0.00% | - |
| 2009 | - | - | - | 0.00% | - |
| 2010 | 5,000,000 | - | 5,000,000 | 0.83% | 267.19 |
| 2011 | 4,735,000 | - | 4,735,000 | 0.82% | 259.15 |
| 2012 | 4,465,000 | - | 4,465,000 | 0.87% | 244.38 |
| 2013 | 4,190,000 | - | 4,190,000 | 0.92% | 229.33 |
| 2014 | 3,910,000 | - | 3,910,000 | 0.95% | 214.00 |
| 2015 | 3,620,000 | - | 3,620,000 | 0.92% | 198.13 |
| **2016** | **3,320,000** | **-** | **3,320,000** | **0.82%** | **183.28** |

Data Source: Village Records.

Note: Details regarding the Village's outstanding debt can be found in the notes to the financial statements.

See independent auditor's report.

**Village of Cary, Illinois**
**Schedule of Direct and Overlapping Bonded Debt**
**April 30, 2016**

| Governmental Unit | Gross Debt | Applicable to the Village Percent | Applicable to the Village Amount |
|---|---|---|---|
| Village of Cary | $ 3,320,000 | 100.00 % | $ 3,320,000 |
| **Total direct debt** | 3,320,000 | | 3,320,000 |
| Overlapping: | | | |
| McHenry County Conservation District | 104,580,000 | 5.7147 | 5,976,433 |
| Algonquin Library District | 2,385,000 | 3.2230 | 76,869 |
| School District Number 26 | 26,995,000 | 64.6074 | 17,440,768 |
| School District Number 47 | 12,545,000 | 2.6172 | 328,328 |
| Unit School District Number 300 * | 277,859,550 | 0.5627 | 1,563,516 |
| High School District #155 | 19,400,000 | 16.0424 | 3,112,226 |
| Community College District #509 | 181,805,261 | 0.1514 | 275,253 |
| **Total overlapping debt** | $ 625,569,811 | | 28,773,393 |
| **Total direct and overlapping debt** | | | **$ 32,093,393** |

Data Source: Individual Government Units.

* Estimated for the portion of the district located in Cook County.

(1) Determined by the ratio of assessed valuation of property subject to taxation in the Village to valuation of property subject to taxation in overlapping unit.

See independent auditor's report.

**Village of Cary, Illinois**
**Schedule of Legal Debt Margin**
**April 30, 2016**

| | |
|---|---|
| Assessed valuation - 2015 | $ 405,984,125 |
| Legal Debt Limit - 8.625% of Assessed Valuation | $ 35,016,131 |
| Amount of debt applicable to limit | 3,320,000 |
| Legal Debt Margin | $ 31,696,131 |

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides, "...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 or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979."

See independent auditor's report.

**Village of Cary, Illinois**
**Pledged-Revenue Coverage**
**Last Ten Fiscal Years**

| Fiscal Year Ended April 30 | Water Revenues | Principal | Interest | Coverage |
|---|---|---|---|---|
| 2007 | $ 3,855,368 | $ 485,000 | $ 255,502 | 1.85 |
| 2008 | 4,747,462 | 515,000 | 391,791 | 2.33 |
| 2009 | 3,284,036 | 535,000 | 367,528 | 2.34 |
| 2010 | 3,292,178 | 545,000 | 340,323 | 2.38 |
| 2011 | 3,453,885 | 570,000 | 312,550 | 2.39 |
| 2012 | 3,283,118 | 1,930,000 | 219,335 | 0.98 |
| 2013 | 3,545,028 | 410,000 | 196,474 | 3.48 |
| 2014 | 3,645,547 | 415,000 | 170,639 | 2.69 |
| 2015 | 3,444,452 | 440,000 | 143,618 | 2.08 |
| **2016** | **3,488,569** | **455,000** | **116,132** | **2.08** |

Data Source: Village Records.

Note: Details regarding the Village's outstanding debt can be found in the notes to the financial statements.

## Village of Cary, Illinois
## Demographic and Economic Statistics
## Last Ten Fiscal Years

| Fiscal Year Ended April 30, | Estimated Population (1) | Personal Income (in Thousands) | Per Capita Personal Income | Median Age | Unemployment Rate (2) |
|---|---|---|---|---|---|
| 2007 | 18,713 (3) | $ 76,801 (1) | $ 26,903 (1) | 33.9 (1) | 3.70% |
| 2008 | 18,713 (3) | 76,801 (1) | 26,903 (1) | 33.9 (1) | 5.00% |
| 2009 | 18,713 (3) | 76,801 (1) | 26,903 (1) | 33.9 (1) | 9.20% |
| 2010 | 18,713 (3) | 76,801 (1) | 26,903 (1) | 33.9 (1) | 9.60% |
| 2011 | 18,271 (4) | 87,138 (4) | 32,030 (4) | 36.6 (4) | 8.90% |
| 2012 | 18,271 (4) | 87,138 (4) | 34,526 (4) | 37.0 (4) | 7.50% |
| 2013 | 18,271 (4) | 87,138 (4) | 37,622 (5) | 36.0 (5) | 7.60% |
| 2014 | 18,271 (4) | 87,138 (4) | 35,450 (6) | 36.7 (6) | 6.40% |
| 2015 | 18,271 (4) | 87,138 (4) | 34,784 (7) | 37.9 (7) | 5.30% |
| **2016** | **18,114 (8)** | **87,138 (4)** | **35,855 (8)** | **37.2 (8)** | **4.80%** |

Sources:
(1) 2000 Decennial Census
(2) 2003 Special Census
(3) 2006 Special Census
(4) 2010 Decennial Census
(5) 2007-2011 American Community Survey Estimates
(6) 2008-2012 American Community Survey Estimates
(7) 2009-2013 American Community Survey Estimates
(8) 2010-2014 American Community Survey Estimates

See independent auditor's report.

**Village of Cary, Illinois**
**Principal Employers**
**Current Year and Nine Years Ago**

| | 2016 | | | 2007 | | |
|---|---|---|---|---|---|---|
| Employer | **Employees** | **Rank** | **% of Total City Population** | Employees | Rank | % of Total City Population |
| Sage Products | **583** | **1** | **3.19%** | 480 | 1 | 2.56% |
| Aptar BH | **475** | **2** | **2.60%** | 440 | 2 | 2.35% |
| Coilcraft Inc. | **250** | **3** | **1.37%** | 235 | 5 | 1.25% |
| Duraflex Inc. | **242** | **4** | **1.32%** | - | - | 0.00% |
| Cary-Grove High School | **230** | **5** | **1.26%** | - | - | 0.00% |
| Durex Industries | **170** | **6** | **0.93%** | 180 | 6 | 0.96% |
| True Value Manufacturing Co. | **165** | **7** | **0.90%** | 240 | 4 | 1.28% |
| Sherman Mechanical, Inc. | **147** | **7** | **0.80%** | 100 | 8 | 0.53% |
| Jewel-Osco | **140** | **9** | **0.77%** | 110 | 7 | 0.59% |
| Tru-Cut Manufacturing, Inc. | **120** | **10** | **0.66%** | - | - | 0.00% |
| Horizon Steel Treating, Inc. | **-** | **-** | **0.00%** | - | - | 0.00% |
| Insertech, LLC | **-** | **-** | **0.00%** | - | - | 0.00% |
| Martinez Manufacturing, Inc. | **-** | **-** | **0.00%** | 340 | 3 | 1.82% |
| Bartlett Manufacturing, Inc. | **-** | **-** | **0.00%** | 80 | 9 | 0.43% |
| Federal Express | **-** | **-** | **0.00%** | 75 | 10 | 0.40% |
| | **2,522** | | **13.80%** | 2,280 | | 12.17% |

Data Sources: Village Community Development Records and Direct Contact with Employers.

See independent auditor's report.

**Village of Cary, Illinois**
**Full-time Equivalent Employees By Function**
**Last Ten Fiscal Years**

| | **2016** | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|---|---|---|---|---|---|---|---|---|---|---|
| General Government: | | | | | | | | | | |
| Administration | **3.00** | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 4.50 | 4.50 |
| Finance | **3.50** | 3.50 | 3.50 | 3.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 5.00 |
| Public Works | **12.00** | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 14.00 | 15.00 | 18.00 | 18.00 |
| Police | **29.00** | 29.00 | 32.00 | 32.00 | 32.00 | 32.00 | 30.00 | 34.00 | 40.00 | 37.80 |
| Building, Planning and Zoning | **3.50** | 3.50 | 3.50 | 3.50 | 3.00 | 4.00 | 4.00 | 5.00 | 5.00 | 5.50 |
| Water and Sewer | **8.00** | 9.00 | 9.00 | 10.00 | 10.00 | 10.00 | 11.00 | 10.00 | 12.00 | 15.00 |
| | **59.00** | 61.00 | 64.00 | 64.50 | 65.00 | 66.00 | 66.00 | 71.00 | 83.50 | 85.80 |

Date Source: Village Records.

See independent auditor's report.

**Village of Cary, Illinois**
**Operating Indicators**
**Last Ten Fiscal Years**

| | **2016** | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Fiscal Year Ended April 30, | | | | | | |
| Public Works: | | | | | | | | | | |
| Forestry: | | | | | | | | | | |
| Number of parkway trees planted | **367** | 48 | 42 | 167 | - | 5 | 93 | 53 | 54 | 49 |
| Number of parkway trees trimmed | **1,088** | 208 | 184 | 1,373 | 2,129 | 315 | 196 | 2,100 | 1,368 | 1,800 |
| Brush pickup program (hours) | **286** | 645 | 685 | 597 | 800 | 866 | 560 | 800 | 799 | 900 |
| Fleet Services: | | | | | | | | | | |
| Number of vehicles maintained | **58** | 58 | 57 | 57 | 58 | 56 | 64 | 49 | 58 | 58 |
| Public Safety: | | | | | | | | | | |
| Police: | | | | | | | | | | |
| Criminal offenses (Part 1) | **243** | 231 | 221 | 309 | 515 | 262 | 421 | 484 | 392 | 331 |
| Criminal arrests (Part 1) | **66** | 80 | 86 | 53 | 96 | 76 | 49 | 42 | 96 | 123 |
| Criminal offenses (Part 2) | **250** | 201 | 247 | 301 | 450 | 380 | 776 | 748 | 295 | 461 |
| Criminal arrests (Part 2) | **62** | 69 | 54 | 79 | 171 | 166 | 235 | 214 | 152 | 245 |
| Traffic arrests | **899** | 944 | 1,010 | 1,883 | 2,960 | 2,260 | 4,740 | 3,263 | 4,020 | 4,707 |
| Traffic warnings | **2,409** | 2,578 | 1,529 | 1,255 | 1,380 | 974 | 2,903 | 3,458 | 4,466 | 3,298 |
| DUI | **59** | 50 | 58 | 60 | 85 | 82 | 82 | 90 | 136 | 210 |
| Liquor Act | **15** | 18 | 29 | 32 | 110 | 81 | 91 | 25 | 73 | 215 |
| Ordinance arrests | **128** | 122 | 33 | 8 | 26 | 31 | 30 | 29 | 38 | 96 |
| Parking enforcement | **145** | 1,067 | 918 | 1,218 | 1,594 | 933 | 2,712 | 1,944 | 1,286 | 1,488 |
| Domestic calls | **160** | 134 | 147 | 167 | 223 | 304 | 294 | 244 | 191 | 287 |
| Community Development: | | | | | | | | | | |
| Number of building permits issued | **1,018** | 1,492 | 848 | 803 | 1,080 | 807 | 856 | 797 | 773 | 883 |
| Number of building inspections | **2,430** | 2,845 | 1,438 | 1,258 | 1,674 | 1,345 | 1,499 | 1,329 | 1,308 | 1,620 |
| Highways and Streets: | | | | | | | | | | |
| Sidewalk replaced (sq. ft.) | **6,309** | 6,280 | 5,525 | 8,460 | 10,712 | 12,987 | 17,940 | 10,620 | 5,000 | 5,100 |
| Annual resurfacing program (in $) | **1,500,000** | 1,552,642 | 1,337,626 | 1,065,048 | 1,449,662 | 2,399,925 | 536,674 | 550,080 | 573,500 | 672,000 |
| Water and Sewer | | | | | | | | | | |
| Water main breaks | **8** | 19 | 15 | 12 | 9 | 9 | 12 | 14 | 10 | 11 |
| Hydrants flushed | **1,108** | 1,075 | 1,082 | 1,306 | 1,050 | 1,050 | 1,050 | 1,050 | 994 | 989 |
| Water meters read | **37,464** | 37,584 | 36,012 | 38,525 | 37,200 | 37,200 | 38,898 | 38,826 | 37,260 | 37,800 |
| Water meter service requests | **1,401** | 1,839 | 2,088 | 1,593 | 1,185 | 488 | 511 | 386 | 837 | 300 |
| Water meters replaced | **559** | 750 | 725 | 649 | 58 | 51 | 38 | 54 | 48 | 39 |
| Total distribution pumpage (1,000 gallons) | **507,474** | 536,924 | 553,033 | 588,460 | 569,943 | 592,237 | 598,858 | 658,095 | 668,980 | 655,711 |
| Average daily pumping (1,000 gallons) | **1,385** | 1,471 | 1,515 | 1,612 | 1,557 | 1,622 | 1,640 | 1,797 | 1,827 | 1,796 |
| Sanitary sewer repairs (linear feet) | - | - | - | - | - | - | - | 10 | N/A | N/A |

See independent auditor's report.

**Village of Cary, Illinois**
**Capital Asset Statistics**
**Last Ten Fiscal Years**

| | Fiscal Year Ended April 30, | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2016** | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| Public safety: | | | | | | | | | | |
| Police: | | | | | | | | | | |
| Stations | **1** | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol units | **19** | 14 | 19 | 19 | 19 | 18 | 21 | 10 | 13 | 13 |
| Public works: | | | | | | | | | | |
| Streets (miles) | **77** | 77 | 77 | 77 | 77 | 77 | 70 | 70 | 70 | 70 |
| Streetlights | **539** | 538 | 538 | 538 | 538 | 538 | 538 | 538 | 700 | 700 |
| Water and sewer: | | | | | | | | | | |
| Water mains (miles) | **70** | 70 | 70 | 70 | 70 | 70 | 70 | 70 | 70 | 70 |
| Fire hydrants | **1,050** | 1,050 | 1,050 | 1,050 | 1,050 | 1,050 | 1,050 | 1,050 | 989 | 989 |
| Sanitary sewers (miles) | **75** | 75 | 75 | 75 | 75 | 75 | 75 | 75 | 75 | 75 |

Data Source: Village Records.

See independent auditor's report.