

# **Village of Algonquin, Illinois**

Comprehensive Annual Financial Report  
Year Ended April 30, 2012

# **Village of Algonquin, Illinois**

Comprehensive Annual Financial Report  
Year Ended April 30, 2012

Issued by the Finance Department

John R. Walde  
Finance Director

Susan Skillman  
Assistant Finance Director

# Village of Algonquin, Illinois

## Comprehensive Annual Financial Report

Year Ended April 30, 2012

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**Village of Algonquin, Illinois  
Principal Officials**

**April 30, 2012**

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Legislative

Village Board of Trustees

John C. Schmitt, Village President

Brian Dianis

Robert M. Smith

Jerry Glogowski

John Spella

Debby Sosine

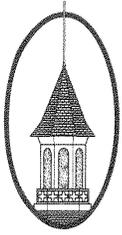
Jim A. Steigert

Gerald S. Kautz, Clerk

Appointed Officials

William J. Ganek, Village Manager

John R. Walde, Treasurer



# Village of Algonquin

The Gem of the Fox River Valley

September 21, 2012

The Honorable Village President  
Members of the Board of Trustees and Village Manager  
Village of Algonquin  
Algonquin, Illinois 60102

The Comprehensive Annual Financial Report (CAFR) of the Village of Algonquin, Illinois, (the Village) for the fiscal year ended April 30, 2012, is hereby submitted as mandated by local ordinances and state statutes. These ordinances and statutes require that the Village issue annually a report on its financial position and activity presented in conformance with generally accepted accounting principles (GAAP) in the United States of America and audited in accordance with generally accepted auditing standards (GAAS) by an independent firm of certified public accountants.

This report consists of management's representations concerning the finances of the Village of Algonquin. The Village is responsible for the accuracy and fairness of the presentation of the financial statements and other information as presented herein. The data presented in this report is believed to be accurate in all material respects, and all statements and disclosures necessary for the reader to obtain a thorough understanding of the Village's financial activities have been included. To provide a reasonable basis for making these representations, management of the Village has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient, reliable information for the preparation of the Village of Algonquin's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Village's comprehensive framework of internal controls has been designed to provide reasonable assurance rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Village's financial statements have been audited by McGladrey LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Village of Algonquin for the fiscal year ended April 30, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon audit, that there was a reasonable basis for rendering an unqualified opinion that the Village's financial statements for the fiscal year ended April 30, 2012, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Village's MD&A can be found immediately following the report of the independent auditors.

### **Profile of the Village of Algonquin**

The Village of Algonquin, a home rule community as defined by the Illinois Constitution, was incorporated in 1890 and is located approximately 45 miles northwest of the City of Chicago in McHenry and Kane Counties. Algonquin has a land area of 12 square miles and a population of 30,046 as certified in the 2010 Decennial Census. The Village also has the power by state statute to extend its corporate limits by annexation, which is done periodically when deemed appropriate, by the Village Board.

Policy making and legislative authority are vested in the Village Board, which consists of the President and six trustees. The Village Board is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring the Village's manager and attorney. The Village's manager is responsible for carrying out the policies and ordinances of the Village Board, for overseeing the day-to-day operations of the Village, and for appointing the heads of the Village's departments. The Board is elected on a non-partisan basis. Board members are elected to four-year staggered terms with three Board members elected every two years. The President is elected to a four-year term. The President and Village Trustees are elected at large.

The Village provides a full range of services including police protection, the construction and maintenance of streets and other infrastructure, community development, general services administration and the operating of the water and wastewater facilities.

The annual budget serves as the foundation for the Village's financial planning and control. All departments of the Village are required to submit their budget requests to the Village Manager on or before January 31 of each year. The Village Manager and staff use these requests as the starting point for developing a proposed budget which will match anticipated revenues. The Village Manager then presents the Manager's Proposed Budget to the Village Board throughout January, February and March of each year. The Village Board is required to hold a public hearing on the proposed budget and to adopt a final budget no later than April 30 of each year; the close of the Village's previous fiscal year.

### **Major Initiatives**

The Village staff, following specific goals of the Village Board and the Village Manager, has been involved in a variety of projects throughout the year; projects which reflect the Village's commitment to ensuring that its citizens are provided cost effective and quality services.

Examples of some of these projects are as follows:

The Village has implemented the use of iPad tablet computers for its Village Board members to help reduce costs and enhance efficiency. The iPads are used to send and view Village Board meeting packets, eliminating the need for producing paper copies. Further, the iPads have been used to enhance responsiveness of Village Board members who are continuously connected via WiFi to their e-mail communication accounts. The return on investment is anticipated at approximately one year.

A Voice of Internet Protocol (VoIP) phone system has been implemented at Village Hall and Public Works Facility. The system allows for a direct link between the two facilities and offers further integration of communications for Village employees. Cost-savings are also realized from having the two facilities on one network.

A new website template for the Village's website was launched, allowing more effective communications with modern technologies. The new site has a fully integrated mobile template, RSS feeds, and various links to social network sites to help disseminate Village communications.

The Village hired a planning consultant team, led by Land Vision, Inc., to prepare a strategic action plan for enhancing downtown Algonquin as a walkable, mixed-use business district. The downtown study is being funded through a \$90,000 federal grant the Village received from the Chicago Metropolitan Agency for Planning. In particular, the plan will assist the Village in understanding what land use, economic development, access/circulation, open space, and aesthetic improvement opportunities will be presented within the downtown area as a result of the future Illinois Route 31 Algonquin Western Bypass roadway that is being constructed by the Illinois Department of Transportation.

As a result of declining revenues due to the recession, staff diligently managed the budget and ultimately made expenditure reductions in the General Fund in excess of \$.85 million, or 4.6% of the budgeted expenditures.

### **New Initiatives for 2012-2013**

The Village has contracted with Comcast to construct a fiber optic network to connect Village Hall and Public Works Facility. This will allow accessibility to increased bandwidth networks which will further allow more technological applications to be implemented in Village operations.

The Village has enrolled in the International City/County Manager's Association (ICMA) Center for Performance Measurement 101 program. This program captures performance measures for operating departments and benchmarks them against other communities in the United States. Additionally, to help capture effectiveness measures for Village services, a scientific community survey will be administered at random to the residents of the Village.

The Illinois Department of Transportation is scheduled to begin road construction of the Illinois Route 31 Western Bypass in Algonquin in September 2012. \$33.3 million was awarded for construction of 2.11 miles of a four-lane divided highway, diamond interchange, four new bridges, retaining walls and noise abatement.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Village operates.

### **Local Economy**

The Village's experience in the local economy indicates that unemployment in Algonquin continues at a high level with a June 2012 report of 8.7% which was less than the same period last year (9.3%) and less than June 2010 (8.9%). Algonquin's unemployment rate continues to be lower than that of the State of Illinois and equal to McHenry County, 9.3% and 8.6%, respectively, for the period of June 2012. On the positive side, a major revenue source, state shared income/use tax, experienced a 7.8% increase in the per capita distribution rate for the year ending June 2012, which continues the reversal of a two year decline. That said, the statewide economy continues to impact Village finances as evidenced by the state's continued slow distribution of income tax allocations (three months in arrears as of April 2011 and four months as of April 2012) which unfavorably impacts our cash position and investment income.

The major industry in the Village is retail sales and state shared sales tax revenue is the Village's primary revenue source. In spite of the high unemployment rate, the shared sales tax collections for FY12 continued to improve with a 6.4% increase from the prior year. Assessed values in the Village decreased by 8.9%, or a large reduction for two consecutive years. Residential property was impacted the most with a 9.7% reduction. As a home rule community, however, the Village's Tax Levy is not subject to PTEL reduction of taxes and collection is reasonably assured since the County Treasurers have tax sales for unpaid tax bills.

### **Debt Administration**

As of April 30, 2012, the Village had three outstanding debt issues, all of which were general obligation bonds. There was one refunding bond matter during FY12 as Series 2002B was called and retired. Outstanding at year end were \$13,570,000 for general obligation bonds. Continuing its practice, the Village abated \$1.6 million dollars of the 2011 Tax Levy for debt service. Under current state statutes, the Village has no legal debt limit on general obligation debt.

### **Long-Term Financial Planning**

Bond Series 2005B was issued as an advance refunding of Series 2002B with proceeds escrowed and paying interest costs until April 1, 2012. That debt has been called and retired. Similarly, the Village is considering an advance refunding of a portion of Bond Series 2005A which has a call date of April 1, 2014. With favorable interest rates, a new bond issue could be sold in the fall of 2012 which could save the Village approximately \$600,000 over the remaining life of the existing bond. In other financial actions, the Village continues to use the Home Rule Sales Tax of .75% for infrastructure and capital purposes. Those funds, together with existing dedicated revenues, strengthen the Village preference of a "pay as you go" philosophy in financing capital projects. The capital improvement program for street and infrastructure improvements is managed from five capital project funds (Motor Fuel Tax, Street Improvement, Park Fund, Water & Sewer Improvement and Construction, and Village Construction). With the exception of bonds issued for the financing of the Wastewater Treatment Plant Expansion (2005) and Public Works Facility (2002), the Village has been able to follow the "pay as you go" financing policy for the past decade. The Village annually abates the debt service for the General Obligation Bonds and we expect to do so again this year. Debt service for the existing bonds is being financed via the use of sales tax and home rule sales tax revenues. Water & Sewer expansion has been significantly financed by developer construction as well as tap-on fees and annexation agreements.

### **Cash Management**

Recent Federal Reserve policy announcements indicated that near-zero short-term federal funds rate would continue until late-2014. This interest rate policy severely impacted Village investment returns on certificates of deposit and State Investment Pools. As a result, the Village investigated fixed income securities as an alternative investment. Investment grade fixed income securities with an average life of less than three years were subsequently approved for investment. This included corporate bonds since the Village has Home Rule status. The maturities of the investments now range from being immediately accessible (Illinois Funds and IMET Convenience Fund), 90 days to two years (Certificates of Deposit), and up to 3 years (IMET and the Fixed Income Investments). Investment income includes market appreciation in the fair value of investments.

The Police Pension Fund is permitted to invest in equities as well as fixed income bonds with longer maturities. Yields from these assets for the year ended April 30, 2012, were 4.36% reflecting continued recovery from the 2008 turmoil.

### **Pension Benefits**

The Village sponsors a single-employer defined benefit pension plan for its police officers. Each year, an independent actuary engaged by the Village and the pension plan calculates the amount of the annual contribution that the Village must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. As a matter of policy, the Village fully funds each year's annual required contribution to the pension plan as determined by the actuary. As a result of the Village's conservative funding policy, the Village has succeeded as of April 30, 2012, in funding 56.6% of the actuarial accrued liabilities. The actuarial valuation as stated in this report for FY2012, determined that the net contribution due from the Village is \$1,020,427. The remaining unfunded amount is being systematically funded over 21 years as part of the annual required contribution calculated by the actuary.

The Village also provides pension benefits for its non-public safety employees. These benefits are provided through a statewide plan managed by the Illinois Municipal Retirement Plan (IMRF). The Village has no obligation in connection with employee benefits offered through this plan beyond its contractual payments to IMRF. Additional information on the Village's pension arrangements can be found in Note 9 in the financial statements.

### **Awards & Acknowledgments**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Algonquin for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended April 30, 2011. This was the eighth year that the Village has received this prestigious award. In order to be awarded a Certificate of Achievement, the Village published an easily readable and efficiently organized CAFR. This report satisfied both generally accounting principles and applicable legal requirements.

The Village also received the GFOA's Award for Distinguished Budget Presentation for its 2012 budget document. This was the eighth year the Village has received this prestigious award. In order to receive this award, a government must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

A Certificate of Achievement is valid for a period of one year only. We believe that the 2012 CAFR continues to meet the Certificate of Achievement Program requirements and we are submitting the report to the GFOA to determine its eligibility for another award.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my appreciation especially to Susan Skillman, Assistant Finance Director, and Jodie Proschwitz, Accountant, and all other members of the department who assisted and contributed to the preparation of this report.

In closing, I would like to thank the Village President, Board of Trustees and Village Manager for their unfailing support for maintaining the highest standards of professionalism in the management of the Village of Algonquin's Finances.

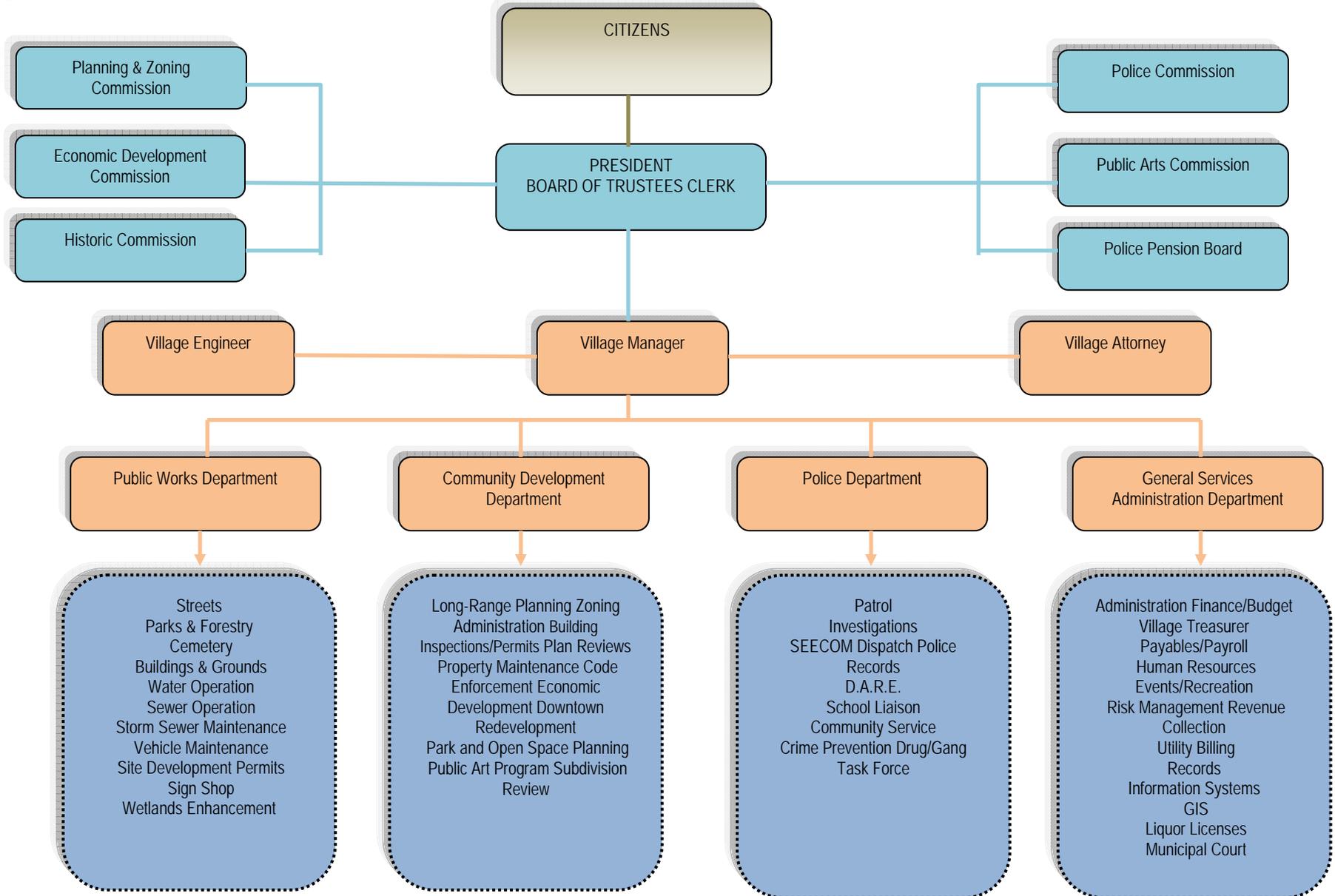
Respectfully submitted,



John R. Walde  
Finance Director



VILLAGE OF ALGONQUIN  
2012-2013 ORGANIZATION CHART



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Village of Algonquin  
Illinois

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
April 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Linda C. Danison*

President

*Jeffrey R. Emer*

Executive Director

## **INDEPENDENT AUDITOR'S REPORT**



## Independent Auditor's Report

The Honorable Village President  
Members of the Board of Trustees  
Village of Algonquin, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Algonquin, Illinois, as of and for the year ended April 30, 2012, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of Algonquin, Illinois' management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Algonquin, Illinois, as of April 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1, as of May 1, 2011, the Village adopted the reporting and disclosure requirements of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3 - 13), budgetary schedule (page 57) and pension and other post-employment related information (pages 58-60) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining and individual fund financial statements and other schedules listed in the table of contents as supplementary information (pages 62 – 99) are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such 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. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The accompanying introductory and statistical sections, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*McGladrey LLP*

Schaumburg, Illinois  
September 21, 2012

**Village of Algonquin, Illinois  
Management's Discussion and Analysis  
April 30, 2012**

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The Village of Algonquin's (the "Village") management discussion and analysis (MD&A) is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify changes in the Village's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

Since the MD&A is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Transmittal Letter (beginning on page vi) and the Village's financial statements (beginning on page 14).

### **Financial Highlights**

- The Village's net assets increased by \$2.4 million (or 1.0%) from FY11 to \$262.9 million.
- The governmental activities net assets increased by \$3.0 million (or 1.6%) from FY11 to \$194.6 million.
- The business type activities net assets decreased by \$.6 million (or .8%) from FY11 to \$68.3 million.
- The total revenues of all governmental activity programs increased by \$3 million and expenses increased \$.3 million from FY11.
- The total revenues of business-type activity programs increased by \$.3 million and expenses decreased \$.1 million from FY11.
- The total cost of all Village programs increased by \$.3 million (or .1%).
- The Village's general fund balance increased by \$1.2 million from FY11.
- The Village's general fund actual revenues were over budget by \$.7 million and actual expenditures were under the budgeted amounts by \$.9 million.
- The Village's capital assets decreased by \$4.2 million to \$245.44 million in FY12.

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

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

### **Government-Wide Financial Statements**

The government-wide financial statements (see pages 14-17) are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns which add to a total for the Primary Government. The focus of the Statement of Net Assets (the "Unrestricted Net Assets") is designed to be similar to bottom line results for the Village and its governmental and business-type activities. This statement combines and consolidates the governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities (see pages 16-17) is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

**Village of Algonquin, Illinois  
Management's Discussion and Analysis  
April 30, 2012**

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

### **Fund Financial Statements**

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

The Governmental Major Funds (see pages 18-21) presentation is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the Fund Financial Statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith.

The Fund Financial Statements also allow the government to address its Fiduciary Funds (Police Pension and Developer Deposits, see pages 27 and 28). The Police Pension Fund (a pension trust fund) represents trust responsibilities of the Village. These assets are restricted in purpose and do not represent discretionary assets of the government. The Developer Deposit Fund (an agency fund), reports refundable deposits received from developers. Therefore, the assets in these two funds are not presented as part of the Government-Wide Financial Statements.

While the Business-type Activities column on the Business-type Fund Financial Statements (see pages 22-26) is the same as the Business-type column on the Government-Wide Financial Statement, the Governmental Major Funds Total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 19 and 21). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bonds and others) into the Governmental Activities column (in the Government-wide statements).

### **Infrastructure Assets**

Historically, a government's largest group of assets (infrastructure assets – i.e., land, streets, bridges, storm sewers, etc.) have not been reported nor depreciated in governmental financial statements. This statement requires that these assets be valued and reported within the Governmental column of the Government-wide Statements. Additionally, the government must elect to either (1) depreciate these assets over their estimated useful life or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. The Village has chosen to depreciate assets over their useful lives. If a street project is considered maintenance – a recurring cost that does not extend the street's original useful life or expand its capacity – the cost of the project will be expensed. An "overlay" of a street will be considered maintenance whereas a "rebuild" of a street will be capitalized.

## **GOVERNMENT-WIDE STATEMENTS**

### **Statement of Net Assets**

The Village's combined net assets increased by \$2.4 million from FY11 – increasing from \$260.5 million to \$262.9 million. The following analysis will look at net assets and net expenses of the governmental and business-type activities separately. The total net assets for the governmental activities increased \$3.0 million from \$191.6 million to \$194.6 million. The business-type activities net assets decreased by

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\$.6 million from \$68.9 million to \$68.3 million. Table 1 reflects the condensed Statement of Net Assets compared to FY11. Table 2 will focus on the changes in net assets of the governmental and business-type activities. A detailed analysis of the changes can be found in the section for Current Year Impacts on page 6.

**Table 1**  
**Statement of Net Assets**  
**As of April 30, 2012 and 2011**  
(in millions)

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Current and other assets	\$ 29.0	\$ 27.9	\$ 11.0	\$ 8.6	\$ 40.0	\$ 36.5
Capital assets	178.8	179.6	66.6	70.0	245.4	249.6
<b>Total assets</b>	<b>207.8</b>	<b>207.5</b>	<b>77.6</b>	<b>78.6</b>	<b>285.4</b>	<b>286.1</b>
Long-term liabilities	4.7	5.2	8.3	8.8	13.0	14.0
Other liabilities	8.5	10.7	0.9	0.9	9.4	11.6
<b>Total liabilities</b>	<b>13.2</b>	<b>15.9</b>	<b>9.2</b>	<b>9.7</b>	<b>22.4</b>	<b>25.6</b>
Net Assets:						
Invested in capital assets, net of debt	177.0	175.5	57.9	60.8	234.9	236.3
Restricted	2.3	7.5	1.5	0.8	3.8	8.3
Unrestricted	15.3	8.6	8.9	7.3	24.2	15.9
<b>Total net assets</b>	<b>\$ 194.6</b>	<b>\$ 191.6</b>	<b>\$ 68.3</b>	<b>\$ 68.9</b>	<b>\$ 262.9</b>	<b>\$ 260.5</b>

For more detailed information see the Statement of Net Assets (pages 14-15).

**Normal Impacts**

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

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

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

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

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

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

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

***Current Year Impacts***

The Village's \$2.4 million increase of combined net assets (which is the Village's bottom line) was the result of the governmental activities net assets increasing by \$3.0 million and the business-type activities decreasing by \$.6 million.

The governmental activities total assets increased by \$.3 million and the governmental activities total liabilities decreased by \$2.7 million. The total assets increase of \$.3 million was a result of an increase of \$1.1 million in current and other assets which was offset by a decrease of \$.8 million in capital assets. The decrease in capital assets of \$.8 million was due mainly to decreases of \$1.9 million in construction in progress, \$.4 million in other improvements, \$.3 million in vehicles and equipment, and \$.3 million in buildings; due mainly to normal depreciation expense. This was offset by an increase of \$2.1 million in streets, storm and bridge improvements. Land remained unchanged.

The governmental activities total liabilities decreased by \$2.7 million. There was a decrease of \$.5 million in long-term liabilities and a decrease of \$2.2 million in other liabilities. The decrease in liabilities was due mainly to the call of bond series 2002B in April 2012.

The net assets of the business-type activities decreased by \$.6 million from \$68.9 to \$68.3 million. Total assets of the business-type activities decreased by \$1.0 million from \$78.6 to \$77.6 million. The total assets decrease of \$1.0 million was a result of a decrease in capital assets of \$3.4 million and offset by an increase in current assets of \$2.4 million. The capital asset decrease of \$3.4 million in the business-type activities occurred mainly as a result of decreases in capital assets relating to water and sewer improvements of \$3.1 million, and \$.3 million in buildings. The overall decrease was due mainly to capital assets depreciation. The increase in current assets of \$2.4 million was mainly due to an increase in cash and investments. The cash reserves have increased due to the village's implementation of water and sewer rate increases which have built a larger cash reserve.

Total liabilities of the business-type activities decreased by \$.5 million from \$9.7 million to \$9.2 million. The long-term liabilities decreased by \$.5 million due to the decrease of general obligation bonds payable for the wastewater treatment plant expansion.

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**Changes in Net Assets**

The following chart compares the revenue and expenses for the current fiscal year.

**Table 2**  
**Changes in Net Assets**  
**For the Fiscal Years Ended April 30, 2012 and 2011**  
**(in millions)**

Revenue	Governmental Activities		Business-Type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Program Revenues						
Charges for Service	\$ 1.9	\$ 1.7	\$ 5.6	\$ 5.4	\$ 7.5	\$ 7.1
Operating Grants/Contributions	1.3	1.2	0.1	0.1	1.4	1.3
Capital Grants/Contributions	1.8	0.4	-	-	1.8	0.4
General Revenue						
Property	6.0	5.9	-	-	6.0	5.9
Other taxes	14.0	13.1	2.2	2.1	16.2	15.2
Other	0.2	0.2	-	-	0.2	0.2
<b>Total Revenue</b>	<b>25.2</b>	<b>22.5</b>	<b>7.9</b>	<b>7.6</b>	<b>33.1</b>	<b>30.1</b>
<b>Expenses</b>						
Governmental Activities						
General Government	4.7	4.6	-	-	4.7	4.6
Public Safety	8.3	8.1	-	-	8.3	8.1
Public Works	8.9	8.9	-	-	8.9	8.9
Interest	0.3	0.3	-	-	0.3	0.3
Business Type						
Water and Sewer	-	-	8.5	8.6	8.5	8.6
<b>Total Expenses</b>	<b>22.2</b>	<b>21.9</b>	<b>8.5</b>	<b>8.6</b>	<b>30.7</b>	<b>30.5</b>
<b>Change in Net Assets</b>	<b>3.0</b>	<b>0.6</b>	<b>(0.6)</b>	<b>(1.0)</b>	<b>2.4</b>	<b>(0.4)</b>
<b>Net assets - beginning</b>	<b>191.6</b>	<b>191.0</b>	<b>68.9</b>	<b>69.9</b>	<b>260.5</b>	<b>260.9</b>
<b>Net assets - ending</b>	<b>\$ 194.6</b>	<b>\$ 191.6</b>	<b>\$ 68.3</b>	<b>\$ 68.9</b>	<b>\$ 262.9</b>	<b>\$ 260.5</b>

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

**Normal Impacts**

**Revenues:**

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

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

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

**Market Impacts on Investment income** – the Village's investment portfolio is managed using a similar average maturity to most governments. Market conditions may cause investment income to fluctuate.

**Expenses:**

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

**Increase in Authorized Personnel** – changes in service demand may cause the Village Board to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent 60.2% of the Village's operating costs.

**Salary Increases (annual adjustments and merit)** – the ability to attract and retain human and intellectual resources requires the Village to strive to approach a competitive salary range position in the marketplace.

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

Governmental Activities

**Revenue:**

Total revenues for Governmental Activities increased \$2.7 million from \$22.5 million to \$25.2 million. An increase of \$1.4 million in capital grants/contributions, \$.9 million in other taxes, \$.2 million in charges for services, \$.1 million in operating grants/contributions, and \$.1 million in property taxes all contributed to the increase in total revenues. The \$1.4 million increase in capital grants/contributions was due to a capital asset donation relating to a completed street project that received state/federal funding. The increase of \$.9 million in other taxes was due mainly to increases of \$.4 million in sales tax, \$.2 million in home rule sales tax, \$.2 in telecommunications tax, and \$.2 million in income and use tax. These increases were offset by a decrease of \$.1 million in utility tax revenues.

The Village has a diversified revenue structure and depends on several key revenue sources to help pay for the services provided. The Village's general fund property tax collections of \$6.0 million increased \$.1 million from FY11 to FY12. The Village attempts to maintain its property tax level and capture new revenues from growth. Due to recent downturns in the housing market and continuing foreclosures, the Village's EAV decreased by approximately 9% from FY11 to FY12. The Village's property tax rate was .523 in 2010 and .564 in 2011.

In the general government, state shared income and use tax revenues increased 6.3% from FY11 to FY12 due to an increase in the Village's per capita. Sales tax increased 6.0%. Utility tax revenues declined slightly due to a decrease in usage; during FY12 the Village had both a mild summer and winter.

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General fund building permits were consistent with FY11 numbers, but still at depressed levels due to the continued soft economy and lack of development.

Capital contributions increased by \$1.4 million from \$.4 million to \$1.8 million. This was due mainly to increases in capital asset donations for street improvements during FY12.

**Expenses:**

The Village's governmental activities total expenses increased \$.3 million for FY12.

The Village's General Government function expenses increased \$.1 million from \$4.6 million to \$4.7 million due to slight increases in personnel and contractual service expenses.

Public Safety expenses increased \$.2 million from \$8.1 million to \$8.3 million. Public Safety had a \$.2 million increase in personnel costs.

Public Works expenses remained unchanged from FY11 at \$8.9 million.

*Business-type Activities*

**Revenue:**

Total revenues for Business-type Activities increased \$.3 million from \$7.6 million to \$7.9 million. Charges for services increased by \$.2 million. There was a \$.2 million increase in water and sewer fees due to scheduled rate increases that was offset by a decrease of \$.1 million in connection fees. Other taxes increased slightly by \$.1 million due to an increase in home rule sales tax revenues.

**Expenses:**

The Village's Business-type Activities total expenses decreased \$.1 million from \$8.6 million to \$8.5 million. The slight decrease was due to a decrease in expenses relating to infrastructure maintenance during FY12.

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

**Governmental Funds**

At April 30, 2012, the governmental funds (as presented on the balance sheet on page 18) reported a combined fund balance of \$20.8 million or an increase of 2% from \$20.4 million at the beginning of the year. Of the total fund balance, \$13.1 million is unassigned indicating availability for continuing Village services. The net increase in the Fund Balance of Governmental Funds was due to an increase of \$.9 million in total assets and an increase of \$.5 million in total liabilities.

The increase of \$.9 million in total assets consisted of increases of \$1.6 million in cash and equivalents, \$.7 million in other taxes, and \$.2 million in other receivables. These increases were offset by decreases of \$1.4 million in investments, \$.1 million in property tax, and \$.1 million in due from other funds. There was a \$.5 million increase in total liabilities due mainly to a \$.5 million increase in accounts payable.

The general fund total fund balance increased \$2.6 million from \$10.7 million in FY11 to \$13.3 million in FY12. There was a \$1.3 million GAAP adjustment in FY12 for the additions of the public swimming pool and special revenue to the general fund pursuant to GASB 54. The net increase in fund balance relating to general fund operating was \$1.3 million from FY11 to FY12. General fund operating assets had a net increase of \$1.3 million which included an increase of \$1.4 million in investments, and \$.6 in other taxes.

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The increases were offset by decreases of \$.6 million in cash and investments, and \$.1 million in property tax. Liabilities remained unchanged from FY11 to FY12.

The street fund total fund balance increased \$1.3 million from \$2.9 million in FY11 to \$4.2 million in FY12. Assets increased \$1.7 million from FY11 to FY12. This included increases in cash and cash equivalents of \$1.4 million, other taxes of \$.2 million, and other of \$.1 million. Liabilities increased \$.4 million from FY11 to FY12. This included increases in accounts payable of \$.3 million and deferred revenues – other of \$.1 million.

The debt service fund total fund balance decreased \$2.7 million from \$3.6 million in FY11 to \$.9 million in FY12. Assets decreased \$2.7 million from FY11 to FY12. This decrease in investments was due to the calling of bond series 2002B in April 2012 using escrowed funds.

***General Fund Budgetary Highlights***

Below is a table that reflects the budget and the actual revenues and expenditures for the General Fund. More information can be found on the schedule of revenues, expenditures and changes in fund balance – budget and actual on page 57. Actual spending was \$.9 million less than the budget which was due to actual expenses less than budget of \$.3 million in general government, \$.2 million in public safety, and \$.4 million in public works.

Due to the uncertainty with the economy, and the state's discussions relating to decreasing municipal income tax payments, management continues to challenge departments to decrease their budgeted expenditures during FY12. This resulted in savings in the various general fund departments.

The \$.3 million savings in general government expenses was due to savings in administration personnel of \$.1 million. This savings resulted from changes in administration and community development personnel. Contractual services had savings of \$.1 million due to decreases in expenses relating to the municipal court programs, legal, and various other services. There was a \$.1 million saving in various other charges.

The \$.2 million savings in public safety expenses was due to personnel savings of \$.1 million. This savings resulted from a decrease in the overtime expenses. Contractual services had savings of \$.1 million due to decreases in the Village's portion of its 911 dispatch service (SEECOM) contract.

The \$.4 million savings in public works expenses was due to savings in personnel within public works administration, streets, and park departments as well as contractual services. The \$.2 million salary decrease was due to personnel leaving and not being replaced, or not being replaced immediately. Overtime also decreased due to a mild winter which required less overtime for snow plowing. Contractual services had savings of \$.2 million mainly in the streets departments.

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**Table 3**  
**General Fund Budgetary Highlights**  
(in millions)

<b>General Fund</b>	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>
Revenues			
Taxes	\$ 15.945	\$ 15.945	\$ 16.720
Intergovernmental	0.200	0.279	0.390
Other	1.769	1.795	1.624
<b>Total</b>	<b>\$ 17.914</b>	<b>\$ 18.019</b>	<b>\$ 18.734</b>
Expenditures and Transfers			
Expenditures	\$ 17.389	\$ 17.537	\$ 16.576
Transfers	0.781	0.781	0.889
<b>Total</b>	<b>18.170</b>	<b>18.318</b>	<b>17.465</b>
<b>Change in Fund Balance</b>	<b>\$ (0.256)</b>	<b>\$ (0.299)</b>	<b>\$ 1.269</b>

**Capital Assets**

At the end of fiscal year 2012, the Village had a combined total of capital assets of \$245.44 million invested in a broad range of capital assets including land, buildings, vehicles, streets, bridges, storm sewers, water mains and sanitary sewer lines. (See Table 4 below.) This amount represents a net decrease (including additions and deletions) of \$4.2 million.

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

- Reconstruction of Hanson Road, Phase 2, for \$2,251,302
- Reconstruction of Algonquin Hills, Phase 4 for \$126,948
- Reconstruction (CIP) of Edgewood Drive for \$147,927
- Net reduction in CIP of \$1,932,186 for completed projects during FY12

**Table 4**  
**Capital Assets at Year-End**  
**Net of Depreciation**  
(in millions)

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Land	\$ 94.05	\$ 94.05	\$ 3.64	\$ 3.64	\$ 97.69	\$ 97.69
Construction in Progress	0.96	2.89	0.45	0.41	1.41	3.30
Buildings	11.86	12.18	13.69	14.04	25.55	26.22
Vehicles and Equipment	1.20	1.46	0.11	0.14	1.31	1.60
Improvements other than Building	7.99	8.37	-	-	7.99	8.37
Streets/Storm Sewers/Bridges	62.78	60.69	-	-	62.78	60.69
Water and Sewer	-	-	48.71	51.80	48.71	51.80
<b>Total</b>	<b>\$ 178.84</b>	<b>\$ 179.64</b>	<b>\$ 66.60</b>	<b>\$ 70.03</b>	<b>\$ 245.44</b>	<b>\$ 249.67</b>

The following reconciliation summarizes the changes in capital assets which is presented in detail on pages 39 and 40 of the Notes.

**Table 5**  
**Change in Capital Assets**  
(in millions)

	<b>Governmental</b>	<b>Business-Type</b>	<b>Total</b>
	<b>Activities</b>	<b>Activities</b>	
<b>Beginning Balance</b>	\$ 179.64	\$ 70.03	\$ 249.67
Additions			
Depreciable	5.20	0.05	5.25
Non-Depreciation	-		-
Construction in Progress	3.08	0.05	3.13
Retirements			
Depreciable	(0.79)	(0.03)	(0.82)
Non-Depreciation			-
Construction in Progress	(5.01)	-	(5.01)
Depreciation	(3.85)	(3.53)	(7.38)
Retirement	0.57	0.03	0.60
<b>Ending Balance</b>	<b>\$ 178.84</b>	<b>\$ 66.60</b>	<b>\$ 245.44</b>

The Governmental Activities net decrease of \$.8 million in net Capital Assets was due mainly to a net decrease noted in construction in progress (\$1.9 million); buildings (\$.3 million); other improvements (\$.4 million), and vehicles/equipment (\$.2 million). This was offset with an increase in streets and storm sewers (\$2.0 million). Besides the reduction in construction in progress, the decreases were due to normal depreciation expense. Construction in progress decreased due to the fact that there were various projects that were completed by fiscal year end.

The Business-type Activities net decrease of \$3.4 million in net Capital Assets was due mainly to a net decrease noted in buildings (\$.3 million), and water and sewer improvements (\$3.1 million). The decreases were due to normal depreciation expense.

### Debt Outstanding

Since the mid 1990's, the Village of Algonquin has followed a financial policy of preferring a "pay-as-you-go" philosophy to funding capital projects. Exceptions to this philosophy had been bonds issued to pay for the construction of the Village Hall in 1995-1996 and the Public Works Facility in 2002-2003. In December 2005, the Village authorized Bond Series 2005A in the amount of \$9,000,000 to partially finance the expansion of Phase 6 of the Wastewater Treatment Plant. Bond Series 2005B was issued in the amount of \$2,935,000 to refund Series 2002B in 2012. The Village has established the following five funds to accumulate monies over time to systematically construct and/or replace major assets: Motor Fuel Tax, Street Improvement, Parks, Water and Sewer Improvement and Extension, and the Village Expansion Fund. The current Home Rule Sales Tax of .75% was allocated as an additional revenue source for capital and infrastructure such as the expansion of the Wastewater Treatment Plant which assists in the "pay as you go" philosophy. In FY12, 40% of the Home Rule Sales Tax was allocated to the Street Improvement Fund with 60% allocated to the Water and Sewer Improvement and Extension for infrastructure improvements and assistance with debt service.

The Village currently has three general obligation bond series since bond series 2002B was called on April 1, 2012. A total of \$13.57 million of general obligation bonds were outstanding at April 30, 2012. Two of the current bond series were issued to refund previous issues.

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The Village, under its home rule authority, does not have a legal debt limit. The Village does not expect to issue another new bond for construction in the next few years.

Additional information concerning long-term debt can be found in Note (5).

**Economic Factors**

The Village will continue to rely on sales tax and property taxes until the state economy improves and the state is able to operate a balanced budget without impairing local governments. The Village levied the same dollar amount for property taxes, but the property tax rate has increased due to the decrease in the Village's EAV. The village did experience the loss of some retail stores during the fiscal year; however, several have been replaced with new tenants during FY12. The financial condition of the State government has continued to have a negative effect on the Village of Algonquin during the past few years. State shared revenues (state income tax and use tax) had been reduced from 2000 levels on a per-capita basis until FY05. State shared allocations then increased approximately 36% during the next three years, but began to soften in FY09. Since FY09, state distributions to local government have been late and distributions were four months in arrears at FY12. Despite the uncertainty, the FY12 state income tax and use tax increased by 6.3% from FY11 primarily due to an increase in the per capita of 7.8%. Current estimates indicate that the 2013 per-capita allocations will increase slightly in FY13.

Construction in the local housing market is stagnant as indicated by declining permits for commercial and residential construction. The Village's growth in sales tax revenues, EAV, and property tax receipts was consistent in the past decade until the state and local economies began to slow in FY09. Recently, sales tax revenues have increased year to year while property equalized assessments decreased. The property tax receipts remained unchanged from FY11.

The Village's population decreased to 30,046 with the 2010 Census (down from 30,482 reported in the 2007 Special Census). The Village has been able to budget for stable property tax receipts due its status of a Home Rule Community.

**CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to John R. Walde, Finance Director, Village of Algonquin, 2200 Harnish Drive, Algonquin, IL 60102.

## **BASIC FINANCIAL STATEMENTS**

Village of Algonquin, Illinois

Statement of Net Assets

April 30, 2012

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Current			
Cash and cash equivalents	\$ 11,174,394	\$ 6,314,363	\$ 17,488,757
Investments	7,293,708	1,700,000	8,993,708
Receivables			
Property taxes	5,536,535	-	5,536,535
Other taxes	3,622,540	-	3,622,540
Intergovernmental	66,331	-	66,331
Accounts		1,257,684	1,257,684
Accrued interest	52,700	27,782	80,482
Other	806,630	54,900	861,530
Inventory	125,532	-	125,532
Prepaid items	104,552	31,052	135,604
Restricted assets - investments	-	1,523,000	1,523,000
<b>Total current assets</b>	<b>28,782,922</b>	<b>10,908,781</b>	<b>39,691,703</b>
Noncurrent			
Investment in joint venture	57,948	-	57,948
Net pension asset	27,869	-	27,869
Deferred charges	83,131	56,265	139,396
Capital assets (net of accumulated depreciation)			
Land	94,054,567	3,644,048	97,698,615
Construction in progress	955,772	452,065	1,407,837
Water and sewer system	-	48,708,310	48,708,310
Buildings	11,862,474	13,687,597	25,550,071
Improvements other than buildings	7,986,382	-	7,986,382
Vehicles and equipment	1,205,354	107,331	1,312,685
Streets/storm sewers/bridges	62,777,626	-	62,777,626
<b>Total capital assets (net)</b>	<b>178,842,175</b>	<b>66,599,351</b>	<b>245,441,526</b>
<b>Total noncurrent assets</b>	<b>179,011,123</b>	<b>66,655,616</b>	<b>245,608,791</b>
<b>Total assets</b>	<b>\$ 207,794,045</b>	<b>\$ 77,564,397</b>	<b>\$ 285,358,442</b>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Net Assets - Continued

April 30, 2012

	Governmental Activities	Business-Type Activities	Total
<b>Liabilities</b>			
Current			
Accounts payable	\$ 1,413,530	\$ 301,346	\$ 1,714,876
Accrued interest	13,726	29,097	42,823
Unearned revenue - property tax	5,536,535	-	5,536,535
Unearned revenue - other	189,195	-	189,195
Other liabilities	11,087	-	11,087
Compensated absences payable	732,715	108,853	841,568
General obligation bonds payable	590,000	500,000	1,090,000
<b>Total current liabilities</b>	<b>8,486,788</b>	<b>939,296</b>	<b>9,426,084</b>
Noncurrent			
Net other post-employment benefit obligation	125,780	-	125,780
Compensated absences payable	372,629	64,122	436,751
General obligation bonds payable, net	4,201,375	8,251,165	12,452,540
<b>Total noncurrent liabilities</b>	<b>4,699,784</b>	<b>8,315,287</b>	<b>13,015,071</b>
<b>Total liabilities</b>	<b>13,186,572</b>	<b>9,254,583</b>	<b>22,441,155</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	177,068,931	57,848,186	234,917,117
Restricted for			
Cemetery purposes	265,490	-	265,490
Grant programs	2,001,426	-	2,001,426
Debt service	-	1,523,000	1,523,000
Unrestricted	15,271,626	8,938,628	24,210,254
<b>Total net assets</b>	<b>\$ 194,607,473</b>	<b>\$ 68,309,814</b>	<b>\$ 262,917,287</b>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Activities  
Year Ended April 30, 2012

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 4,742,261	\$ 883,440	\$ 97,017	\$ -
Public safety	8,267,862	1,003,544	44,576	-
Public works	8,872,523	26,448	1,137,299	1,783,794
Debt service - interest and fees	345,353	-	-	-
<b>Total governmental activities</b>	<b>22,227,999</b>	<b>1,913,432</b>	<b>1,278,892</b>	<b>1,783,794</b>
Business-type activities				
Waterworks and sewerage	8,551,752	5,596,381	112,067	-
<b>Total</b>	<b>\$ 30,779,751</b>	<b>\$ 7,509,813</b>	<b>\$ 1,390,959</b>	<b>\$ 1,783,794</b>

General revenues  
Taxes  
  Property  
  Personal property replacement  
  Home rule sales tax  
  Utility  
  Telecommunications  
  Hotel  
Intergovernmental (unrestricted)  
  Sales  
  Income and use  
Franchise fees  
Investment income  
Miscellaneous  
    Total general revenues

Change in net assets

Net assets - beginning

Net assets - ending

See Notes to Financial Statements.

Net (Expense), Revenue and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (3,761,804)	\$ -	\$ (3,761,804)
(7,219,742)	-	(7,219,742)
(5,924,982)	-	(5,924,982)
(345,353)	-	(345,353)
<u>(17,251,881)</u>	<u>-</u>	<u>(17,251,881)</u>
-	(2,843,304)	(2,843,304)
<u>(17,251,881)</u>	<u>(2,843,304)</u>	<u>(20,095,185)</u>
6,000,829	-	6,000,829
56,963	-	56,963
1,603,266	2,189,131	3,792,397
963,634	-	963,634
894,523	-	894,523
56,282	-	56,282
7,026,787	-	7,026,787
3,003,337	-	3,003,337
431,118	-	431,118
177,276	35,586	212,862
15,078	-	15,078
<u>20,229,093</u>	<u>2,224,717</u>	<u>22,453,810</u>
2,977,212	(618,587)	2,358,625
<u>191,630,261</u>	<u>68,928,401</u>	<u>260,558,662</u>
<u>\$ 194,607,473</u>	<u>\$ 68,309,814</u>	<u>\$ 262,917,287</u>

Village of Algonquin, Illinois

Balance Sheet - Governmental Funds  
April 30, 2012

	General Fund	Debt Service Fund	Street Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 4,642,226	\$ 128,577	\$ 3,865,957	\$ 2,489,408	\$ 11,126,168
Investments	5,795,708	753,000	550,000	195,000	7,293,708
Receivables					
Property taxes	5,536,535	-	-	-	5,536,535
Other taxes	3,312,347	-	310,193	-	3,622,540
Intergovernmental	-	-	-	66,331	66,331
Accrued interest	42,059	3,508	5,939	1,194	52,700
Other	323,566	-	477,389	-	800,955
Due from other funds	285,200	-	-	-	285,200
Prepaid items	104,327	-	-	225	104,552
Total assets	<u>\$ 20,041,968</u>	<u>\$ 885,085</u>	<u>\$ 5,209,478</u>	<u>\$ 2,752,158</u>	<u>\$ 28,888,689</u>
<b>Liabilities</b>					
Accounts payable	\$ 363,997	\$ -	\$ 794,054	\$ 163,087	\$ 1,321,138
Deferred revenues - property tax	5,536,534	-	-	-	5,536,534
Deferred revenues - other	788,788	-	184,000	-	972,788
Due to other funds	-	-	-	285,200	285,200
Other liabilities	11,087	-	-	-	11,087
Total liabilities	<u>6,700,406</u>	<u>-</u>	<u>978,054</u>	<u>448,287</u>	<u>8,126,747</u>
<b>Fund Balances</b>					
Nonspendable	104,327	-	-	225	104,552
Restricted	-	-	-	2,266,916	2,266,916
Assigned	-	885,085	4,231,424	131,201	5,247,710
Unassigned	13,237,235	-	-	(94,471)	13,142,764
Total fund balances	<u>13,341,562</u>	<u>885,085</u>	<u>4,231,424</u>	<u>2,303,871</u>	<u>20,761,942</u>
Total liabilities and fund balances	<u>\$ 20,041,968</u>	<u>\$ 885,085</u>	<u>\$ 5,209,478</u>	<u>\$ 2,752,158</u>	<u>\$ 28,888,689</u>

See Notes to Financial Statements.

**Village of Algonquin, Illinois**

**Reconciliation of the Balance Sheet - Governmental Funds  
to the Statement of Net Assets**

**April 30, 2012**

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Total fund balances-governmental funds	\$ 20,761,942
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	178,842,175
Revenues in the Statement of Activities that do not provide current financial resources are deferred in the funds.	783,592
An internal service fund is used by management to charge vehicle maintenance costs to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the Statement of Net Assets.	87,041
Some liabilities reported in the Statement of Net Assets do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds. These liabilities consist of:	
Accrued interest	(13,726)
Net other post-employment benefit obligation	(125,780)
Compensated absences	(1,105,344)
Unamortized bond premium	(18,207)
Unamortized bond discount	31,832
Unamortized bond issuance costs	83,131
Net pension asset	27,869
Investment in joint venture	57,948
General obligation bonds payable	<u>(4,805,000)</u>
Net assets of governmental activities	<u>\$ 194,607,473</u>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances –  
 Governmental Funds  
 Year Ended April 30, 2012

	General Fund	Debt Service Fund	Street Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Charges for services	\$ 320,872	\$ -	\$ -	\$ 17,850	\$ 338,722
Licenses and permits	397,652	-	-	-	397,652
Intergovernmental, grants and contributions	389,955	-	247,268	916,285	1,553,508
Fines, fees and forfeitures	864,061	-	-	-	864,061
Property taxes	6,000,829	-	-	-	6,000,829
Other taxes	10,775,415	-	3,145,902	-	13,921,317
Interest	53,674	111,102	9,247	3,254	177,277
Miscellaneous	116,302	-	-	19,002	135,304
<b>Total revenues</b>	<b>18,918,760</b>	<b>111,102</b>	<b>3,402,417</b>	<b>956,391</b>	<b>23,388,670</b>
<b>Expenditures</b>					
<b>Current</b>					
General government	4,106,171	-	-	31,996	4,138,167
Public safety	8,328,490	-	-	-	8,328,490
Public works	4,173,577	-	1,088,103	423,376	5,685,056
<b>Debt service</b>					
Principal	-	3,420,695	-	-	3,420,695
Interest fees and fiscal charges	-	176,146	-	-	176,146
Capital outlay	247,756	-	970,069	-	1,217,825
<b>Total expenditures</b>	<b>16,855,994</b>	<b>3,596,841</b>	<b>2,058,172</b>	<b>455,372</b>	<b>22,966,379</b>
Excess (deficiency) of revenues over expenditures	2,062,766	(3,485,739)	1,344,245	501,019	422,291
<b>Other financing sources (uses)</b>					
Transfers in	-	820,000	-	-	820,000
Transfers out	(820,000)	-	-	-	(820,000)
<b>Total other financing sources (uses)</b>	<b>(820,000)</b>	<b>820,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	1,242,766	(2,665,739)	1,344,245	501,019	422,291
Fund balances - beginning, as restated	12,098,796	3,550,824	2,887,179	1,802,852	20,339,651
Fund balances - ending	\$ 13,341,562	\$ 885,085	\$ 4,231,424	\$ 2,303,871	\$ 20,761,942

See Notes to Financial Statements.

**Village of Algonquin, Illinois**

**Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
Year Ended April 30, 2012**

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Net change in fund balances-total governmental funds	\$ 422,291
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the lives of the assets. This is the amount by which depreciation exceeded capital outlay in the current period. (\$1,631,540 current additions less \$3,853,338 depreciation.)	(2,221,798)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
Change in deferred revenues	114,593
Contributions of capital assets	1,644,000
Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets.	
Payment of principal on bonds	3,420,692
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 investment in joint venture	57,948
Increase in net pension asset	4,746
Increase in net other post-employment benefit obligation	(43,398)
Increase in compensated absences	(29,808)
Loss on disposal of capital assets	(221,727)
Loss incurred within internal service funds	(1,123)
Decrease in accrued interest	925
Interest accreted on capital appreciation debt	(143,940)
Amortization of bond premium, bond discount and issuance costs	(26,189)
Change in net assets of governmental activities	<u>\$ 2,977,212</u>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Net Assets - Proprietary Funds  
April 30, 2012

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service Funds
<b>Assets</b>		
Current		
Cash and cash equivalents	\$ 6,314,363	\$ 48,226
Investments	1,700,000	-
Receivables		
Accounts	1,257,684	5,675
Interest	27,782	-
Other	54,900	
Prepaid items	31,052	-
Inventory	-	125,532
Restricted assets - investments	1,523,000	-
<b>Total current assets</b>	<b>10,908,781</b>	<b>179,433</b>
Deferred charges	56,265	-
Capital assets (net of accumulated depreciation)		
Land	3,644,048	-
Construction in progress	452,065	-
Water and sewer system	48,708,310	-
Buildings	13,687,597	-
Machinery and equipment	107,331	-
<b>Total noncurrent assets</b>	<b>66,655,616</b>	<b>-</b>
Total assets	<b>\$ 77,564,397</b>	<b>\$ 179,433</b>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Net Assets - Proprietary Funds - Continued  
 April 30, 2012

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service Funds
<b>Liabilities</b>		
Current		
Accounts payable	\$ 301,346	\$ 92,392
Accrued interest	29,097	-
Compensated absences payable	108,853	-
General obligation bonds payable	500,000	-
<b>Total current liabilities</b>	<u>939,296</u>	<u>92,392</u>
Noncurrent		
Compensated absences payable	64,122	-
General obligation bonds payable, net	8,251,165	-
<b>Total noncurrent liabilities</b>	<u>8,315,287</u>	<u>-</u>
Total liabilities	<u>9,254,583</u>	<u>92,392</u>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	57,848,186	-
Restricted for debt service	1,523,000	-
Unrestricted	8,938,628	87,041
Total net assets	<u>\$ 68,309,814</u>	<u>\$ 87,041</u>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds  
Year Ended April 30, 2012

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service Funds
Operating revenues		
Charges for services		
Water and sewer revenue	\$ 5,321,765	\$ -
Meter sales	2,900	-
Connection fees	69,557	-
Administration fee	81,483	-
Maintenance billings	-	1,894,318
Miscellaneous	120,676	10,245
Total operating revenues	<u>5,596,381</u>	<u>1,904,563</u>
Operating expenses excluding depreciation	<u>4,650,933</u>	<u>1,905,686</u>
Operating income before depreciation	945,448	(1,123)
Depreciation	<u>3,530,990</u>	-
Operating loss	<u>(2,585,542)</u>	<u>(1,123)</u>
Nonoperating revenues (expenses)		
Home rule sales tax	2,189,131	-
Contributions - developers	112,067	-
Interest income	35,586	-
Interest expense and fiscal agent fees	(378,173)	-
Gain on disposal of capital assets	8,344	-
Total nonoperating revenues (expenses)	<u>1,966,955</u>	<u>-</u>
Change in net assets	(618,587)	(1,123)
Net assets - beginning	<u>68,928,401</u>	<u>88,164</u>
Net assets - ending	<u>\$ 68,309,814</u>	<u>\$ 87,041</u>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Cash Flows – Proprietary Funds  
Year Ended April 30, 2012

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service Funds
Cash flows from operating activities		
Cash received from customers	\$ 5,569,200	\$ -
Cash paid to suppliers	(2,402,839)	(1,185,477)
Cash paid to employees	(2,240,209)	(715,392)
Cash received for interfund services provided	-	1,927,183
Net cash provided by operating activities	<u>926,152</u>	<u>26,314</u>
Cash flows from noncapital financing activities		
Home rule sales tax received	2,243,033	-
Developer contributions	57,167	-
Net cash flows provided by noncapital financing activities	<u>2,300,200</u>	<u>-</u>
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(90,671)	-
Interest paid on bonds	(360,524)	-
Principal paid on general obligation bond maturities	(455,000)	-
Net cash flows (used for) capital and related financing activities	<u>(906,195)</u>	<u>-</u>
Cash flows from investing activities		
Purchase of investments (certificates of deposit)	(2,531,000)	-
Sale of investments (certificates of deposit)	2,379,000	-
Interest on investments	18,737	-
Net cash flows (used for) investing activities	<u>(133,263)</u>	<u>-</u>
Net increase in cash and equivalents	2,186,894	26,314
Cash and equivalents - beginning	<u>4,127,469</u>	<u>21,912</u>
Cash and equivalents - ending	<u>\$ 6,314,363</u>	<u>\$ 48,226</u>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Cash Flows – Proprietary Funds - Continued  
 Year Ended April 30, 2012

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service Funds
Reconciliation of operating loss to net cash provided by operating activities		
Operating loss	\$ (2,585,542)	\$ (1,123)
Adjustments to reconcile operating loss to net cash provided by operating activities		
Depreciation	3,530,990	-
Changes in assets and liabilities		
Accounts receivable	(27,181)	22,620
Prepaid items	(3,804)	-
Inventory	-	(15,240)
Accounts payable	4,792	20,057
Compensated absences payable	6,897	-
Total adjustments	<u>3,511,694</u>	<u>27,437</u>
Net cash provided by operating activities	<u>\$ 926,152</u>	<u>\$ 26,314</u>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Fiduciary Net Assets  
April 30, 2012

	Pension Trust Fund	Agency Fund
<b>Assets</b>		
Cash and cash equivalents	\$ 52,782	\$ 600,142
Investments		
U.S. government securities	3,160,448	-
U.S. agency securities	2,366,649	-
Mutual funds	5,819,772	-
Illinois funds	2,583	-
Money market funds	378,001	-
Corporate debt securities	2,857,588	-
Interest receivable	86,305	-
	<hr/>	<hr/>
<b>Total assets</b>	14,724,128	600,142
<b>Liabilities</b>		
Deposits	-	600,142
	<hr/>	<hr/>
<b>Net Assets</b>		
Held in trust for pension benefits	<u>\$ 14,724,128</u>	<u>\$ -</u>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Changes in Fiduciary Net Assets - Pension Trust Fund  
Year Ended April 30, 2012

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Additions	
Contributions	
Employer	\$ 937,750
Employee	479,734
	<u>1,417,484</u>
Investment income (expense)	
Net appreciation in fair value of investments	379,704
Interest income	278,349
Less investment expenses	(67,463)
	<u>590,590</u>
<b>Total additions</b>	<u>2,008,074</u>
Deductions	
Administration	11,963
Pension benefits and refunds	229,141
<b>Total deductions</b>	<u>241,104</u>
<b>Change in net assets</b>	1,766,970
Net assets - beginning	<u>12,957,158</u>
Net assets - ending	<u>\$ 14,724,128</u>

See Notes to Financial Statements.

## Village of Algonquin, Illinois

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies

##### (a) Reporting Entity

The Village of Algonquin (Village) is a municipal corporation governed by an elected Village president and six-member Village board. As required by generally accepted accounting principles, these financial statements present the Village and its component units, legally separate entities for which the Village is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the Village's operations and so data from these units are combined with data of the primary government. There were no component units to be included in the Village's reporting entity.

##### (b) Government-wide and Fund Financial Statements

**Government-wide Financial Statements:** The government-wide Statement of Net Assets and Statement of Activities report the overall financial activity of the Village. Eliminations have been made to minimize the double counting of internal activities of the Village. However, intrafund services provided and used, as provided by internal service funds, are not eliminated in the process of consolidation. The financial activities of the Village consist of governmental activities, which are primarily supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for services.

The Statement of Net Assets presents the Village's non-fiduciary assets and liabilities with the difference reported in three categories:

**Invested in capital assets, net of related debt** consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets.

**Restricted net assets** result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

**Unrestricted net assets** consist of net assets that do not meet the criteria of the two preceding categories.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (i.e. general government, public safety, etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fines and fees), and (b) grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

## Village of Algonquin, Illinois

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### (b) Government-wide and Fund Financial Statements (Continued)

**Fund Financial Statements:** Separate financial statements are provided for governmental funds, proprietary funds and fiduciary (agency) funds, even though the latter are excluded from the government-wide financial statements. The fund financial statements provide information about the Village's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The Village has the following major governmental funds – General Fund, Debt Service Fund, and Street Improvement Fund. All remaining governmental funds are aggregated and reported as nonmajor governmental funds. The Village has the following major enterprise fund – Waterworks and Sewerage Fund. There are no other enterprise funds.

The Village administers the following major governmental funds:

**General Fund** – This is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The services which are administered by the Village and accounted for in the general fund include general government, public safety and public works.

**Debt Service Fund** – This fund accounts for the accumulation of resources for, and the payment of, general obligation debt principal, interest and related costs.

**Street Improvement Fund** – This capital project fund accounts for the construction, improvement and maintenance of Village streets. Financing is provided by developer contributions, utility tax, telecommunications tax, and transfers from other funds.

The Village administers the following major proprietary fund:

**Waterworks and Sewerage Fund** – This fund accounts for the provision of water and sewer 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, maintenance, financing and related debt service and billing and collection.

The Village administers two internal service funds:

**Vehicle Maintenance Fund** – This fund accounts for the fueling, maintenance and repair of Village owned vehicles and equipment. Financing is provided by charges to other funds.

**Building Service Fund** – This fund accounts for maintenance and repairs of Village-owned buildings. Financing is provided by charges to other funds.

Additionally, the Village administers fiduciary (pension trust and agency) funds for assets held by the Village in a fiduciary capacity on behalf of certain public safety employees and developers. The Village reports one pension trust fund, the Police Pension Fund, which accounts for resources accumulated for retirement annuities for sworn police officers. The Village reports one agency fund, the Developer Donations Fund, which accounts for refundable developer deposits.

## Village of Algonquin, Illinois

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### (c) Measurement Focus and Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, State shared revenues and various State, Federal and local grants. On an accrual basis, revenues from taxes are recognized when the Village has a legal claim to the resources. Grants, entitlements, State shared revenues and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

Significant revenue sources which are susceptible to accrual include property taxes, other taxes, grants, charges for services, and interest. All other revenue sources are considered to be measurable and available only when cash is received.

Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, compensated absences are recorded only when payment is due (upon employee retirement or termination). General capital asset acquisitions are reported as expenditures in governmental funds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations.

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

##### (d) Cash and Cash Equivalents

The Village's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

##### (e) Investments

State statutes authorize the Village to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and the Illinois Funds.

Investments are stated at fair value, except for insurance contracts which are carried at contract value which approximates fair value.

## Village of Algonquin, Illinois

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### (f) Property Taxes

The Village annually establishes a legal right to the property tax assessments upon the enactment of a tax levy ordinance by the Village Board. These tax assessments are levied in December and attach as an enforceable lien on the previous January 1. Tax bills are prepared by the County and issued on or about May and August, and are payable in two installments which are due on or about June 15 and September 1.

Property taxes are billed, collected and remitted periodically by the County Treasurers of Kane and McHenry County, Illinois. A reduction for collection losses, based on historical collection experience, has been provided to reduce the taxes receivable to the estimated amount to be collected. That portion of the property taxes receivable which is not expected to be collected within sixty (60) days after year end is not considered to pay current liabilities and is, therefore, shown as deferred revenue. Since the 2011 property tax levy is levied to finance the operations of the fiscal year beginning May 1, 2012, the 2011 property tax levy is deferred (unearned) as of year-end.

##### (g) Inventory and Prepaid Items

Inventories are accounted for at cost, using the first-in, first-out method. Inventories are accounted for under the consumption method, whereby acquisitions are recorded in inventory accounts initially and charged as expenditures when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items/expenses. Amounts are recorded as expenditures/expenses using the consumption method.

##### (h) Interfund Receivables/Payables

The Village has the following types of transactions between funds:

**Loans and Advances**—amounts provided with a requirement for repayment. In the fund financial statements, interfund loans are reported as due from other funds in lender funds and due to other funds in borrower funds. Any residual balances outstanding between the governmental activities and business-type activities are reported as internal balances in the government-wide statement of net assets.

**Services provided and used**—sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as due to/from other funds in the fund balance sheets or fund statements of net assets.

**Reimbursements**—repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

**Transfers**—flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers in/out are reported as a separate category after nonoperating revenues and expenses.

Village of Algonquin, Illinois

Notes to Financial Statements

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**(i) Capital Assets**

Capital assets which include land, buildings, building improvements, vehicles & equipment, infrastructure, which includes streets, storm sewers, bridges, and the water & sewer system, improvements other than buildings, and intangibles, which include internally generated software, easements and intangibles other than easements, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost ranging from \$25,000 to \$250,000, depending on asset type, and an estimated useful life of greater than one year.

Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Expenditures for asset acquisitions and improvements are stated as capital outlay expenditures in the governmental funds.

Interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

Depreciation of capital assets is recorded in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Assets and is provided on the straight-line basis over the following estimated useful lives:

	<u>Years</u>
Buildings	50
Streets/bridges	40 - 50
Vehicles and equipment	3 - 10
Water and sewer system	20 - 40
Improvements other than buildings	5 - 50
Other equipment and other intangibles*	4 - 20*

\*Items to be amortized over the contractual period to which they relate

**(j) Compensated Absences**

It is the Village's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The General Fund is typically used to liquidate these liabilities.

Vested or accumulated vacation and sick leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. In accordance with the provisions of GASB 16, *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

## Village of Algonquin, Illinois

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### (k) Deferred Revenue

The Village defers revenue recognition in connection with resources that have been received, but not yet earned.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

##### (l) Long-term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business-type activities and proprietary fund statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental funds 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.

Debt service funds are specifically established to account for and service the long-term obligations for the governmental funds debt. Enterprise funds individually account for and service the applicable debt that benefits those funds. Long-term debt is recognized as a liability in a governmental fund when due, or when resources have been accumulated for payment early in the following year. For other long-term obligations, only that portion expected to be financed with available financial resources is reported as a fund liability of a governmental fund.

##### (m) Fund Balances

Effective May 1, 2011, the Village adopted the provisions of Governmental Accounting Standards Board Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. In addition, GASB 54 modified certain fund type definitions and provided guidance for classification of stabilization amounts on the face of the balance sheet. Pursuant to this guidance, the Village was required to report fund balances previously reported in the Public Swimming Pool Fund and the Special Revenue Fund (Non-major special revenue funds), as part of the General Fund. As a result, the Village restated its beginning fund balance by increasing the General Fund by \$1,397,699 in order to properly reflect the reclassification of funds previously reported as special revenue. In addition the Village reclassified the Street Improvement Fund from a Special Revenue Fund to a Capital Project Fund.

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

## Village of Algonquin, Illinois

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Policies (Continued)

##### (m) Fund Balances (Continued)

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. Committed amounts cannot be used for any other purpose unless the Village removes or changes the specified highest level of decision-making authority rests with the Village's Board. The Village passes ordinances to commit their fund balances.

**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 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 in accordance with the established fund purpose and approved budget / appropriation. Residual fund balances in these fund types that are not restricted or committed are reported as unassigned.

**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.

In the General Fund, the Village considers restricted amounts to have been spent first when an 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 utilize assigned amounts, followed by committed amounts then restricted amounts.

##### (n) Accounting Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from these estimates.

## Village of Algonquin, Illinois

### Notes to Financial Statements

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#### Note 2. Stewardship, Compliance and Accountability

##### Budgetary Information

All departments of the Village submit requests for appropriation 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 budget may be amended by the governing body. The legal level of budgetary control is at the fund level.

All funds adopt an annual budget and budgets are prepared on a basis consistent with GAAP except for the Waterworks and Sewerage Fund in that depreciation, amortization, and gains/losses on the sales of capital assets are not budgeted and capital outlay and debt principal retirements (other than defeasements) are budgeted.

##### Actual Expenditures in Excess of Budget

The following funds had an excess of actual expenditures over budget at April 30, 2012:

General Fund - Public Swimming Pool Account	\$	31,315
Vehicle Maintenance Fund		25,446

#### Note 3. Deposits and Investments

Illinois statutes authorize the Village to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds. Pension funds may also invest in certain non-U.S. obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, and certain equities, subject to limitations.

##### *Custodial Credit Risk – Deposits*

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. It is the policy of the Village to require that funds on deposit in excess of FDIC limits be secured by some form of collateral. The amount of collateral provided will not be less than 105% of the fair market value of the net amount of public funds secured. Pledged collateral will be held in safekeeping by an independent third party depository designated by the Village and evidenced by a safekeeping agreement. As of April 30, 2012, the Village was not exposed to custodial credit risk.

Village of Algonquin, Illinois

Notes to Financial Statements

**Note 3. Deposits and Investments (Continued)**

*Interest Rate Risk*

As of April 30, 2012, the Village had the following investments and maturities.

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	6 - 10	Greater than 10
U.S. Government Securities	\$ 3,160,448	\$ -	\$ 914,867	\$ 1,312,960	\$ 932,620
U.S. Agency Securities	3,224,326	152,967	1,337,996	816,000	917,363
Corporate Debt Securities	3,010,230	107,784	1,260,989	1,310,632	330,825
State and Local Governments (SLG)	406,390	101,686	304,704	-	-
Money Market Funds*	458,856	458,856	-	-	-
Illinois Metropolitan Investment Fund	6,726,033	5,548,487	1,177,546	-	-
Illinois Funds*	7,652,998	7,652,998	-	-	-
<b>Total investments</b>	<b>\$ 24,639,280</b>	<b>\$ 14,022,778</b>	<b>\$ 4,996,101</b>	<b>\$ 3,439,593</b>	<b>\$ 2,180,808</b>

\* Weighted average maturity is less than one year.

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Village's investment policy requires to the extent possible, to attempt to match 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 (excludes the Pension Fund). 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.

Of the investments above with maturities in excess of two years, all amounts pertain to the Police Pension Fund, or are maturities scheduled to coincide with debt service principal requirements.

*Credit Risk*

State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the Village's policy to limit its investments in these investment types to the top rating issued by NRSROs. As of April 30, 2012, the Village's investments were rated as follows:

Investment Type	Standard & Poors
U.S. Agency Securities	AAA
Corporate Debt Securities	AAA
State and Local Governments (SLG)	A+
Money Market Funds - fixed income	Not Rated
Illinois Metropolitan Investment Fund	AAA
Illinois Funds	AAA

## Village of Algonquin, Illinois

### Notes to Financial Statements

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#### Note 3. Deposits and Investments (Continued)

##### *Custodial Credit Risk*

For an investment, custodial credit risk 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 and Police Pension Fund investment policies require that all security transactions entered into shall be conducted on a delivery-verses-payment (DVP) basis. Securities will be held by a third party custodian designated by the Village / Police Pension Fund and evidenced by safekeeping receipts.

##### *Concentration of Credit Risk*

The Village's investment policy places the following limitations on investments:

- No financial institution shall hold more than 40% of the Village's investment portfolio unless collateralized, exclusive of U.S. Treasury securities in safekeeping.
- Monies deposited at a financial institution shall not exceed 75% of the capital stock and surplus of that institution.
- Commercial paper shall not exceed 15% of the Village's investment portfolio.
- Deposits in the Illinois Public Treasurer's Investment Pool or Illinois Metropolitan Investment Fund shall not exceed 50% of the investment portfolio.
- Brokered certificates of deposit shall not exceed 25% of the Village's investment portfolio.

The Pension Fund Investment Policy states that no more than 20% of the portfolio shall be invested in any issuer with the exclusion of U.S. Treasury Securities. In addition:

- Monies deposited at a financial institution shall not exceed 75% of the capital stock and surplus of that institution.
- Commercial paper shall not exceed 10% of the Fund's investment portfolio.
- Deposits in the Illinois Public Treasurer's Investment Pool shall not exceed 50% of the Fund's investment portfolio.
- Brokered certificates of deposit shall not exceed 25% of the Fund's investment portfolio.

The Village was not exposed to concentration of credit risk as of April 30, 2012.

##### *Other Information*

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

The Illinois Metropolitan Investment Fund (IMET) is not registered with the SEC. Oversight for IMET is provided by the IMET Board. The Board is responsible for policy formulation, as well as policy and administration oversight. The fair value of the positions in the pool is the same as the value of the pool shares.

Village of Algonquin, Illinois

Notes to Financial Statements

**Note 4. Capital Assets**

**(a) Governmental Activities**

A summary of changes in capital assets for governmental activities of the Village is as follows:

	Balance May 1	Additions	Deletions	Balance April 30
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 94,054,567	\$ -	\$ -	\$ 94,054,567
Construction in progress	2,887,958	3,077,206	5,009,392	955,772
Total capital assets not being depreciated	<u>96,942,525</u>	<u>3,077,206</u>	<u>5,009,392</u>	<u>95,010,339</u>
Capital assets being depreciated:				
Buildings	15,976,573	-	-	15,976,573
Improvements other than buildings	13,384,597	314,829	-	13,699,426
Vehicles and equipment	6,548,602	198,334	305,359	6,441,577
Streets/storm sewers/bridges	92,819,812	4,694,563	487,494	97,026,881
	<u>128,729,584</u>	<u>5,207,726</u>	<u>792,853</u>	<u>133,144,457</u>
Less accumulated depreciation for:				
Buildings	3,795,091	319,008	-	4,114,099
Improvements other than buildings	5,014,809	698,235	-	5,713,044
Vehicles and equipment	5,088,621	437,936	290,334	5,236,223
Streets/storm sewers/bridges	32,131,888	2,398,159	280,792	34,249,255
	<u>46,030,409</u>	<u>3,853,338</u>	<u>571,126</u>	<u>49,312,621</u>
Total capital assets being depreciated, net	<u>82,699,175</u>	<u>1,354,388</u>	<u>221,727</u>	<u>83,831,836</u>
Governmental activities capital assets, net	<u>\$ 179,641,700</u>	<u>\$ 4,431,594</u>	<u>\$ 5,231,119</u>	<u>\$ 178,842,175</u>

Village of Algonquin, Illinois

Notes to Financial Statements

**Note 4. Capital Assets (Continued)**

**(b) Business-Type Activities**

A summary of changes in capital assets for business-type activities of the Village is as follows:

	Balance May 1	Additions	Deletions	Balance April 30
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 3,644,048	\$ -	\$ -	\$ 3,644,048
Construction in progress	407,255	44,810	-	452,065
Total capital assets not being depreciated	<u>4,051,303</u>	<u>44,810</u>	<u>-</u>	<u>4,096,113</u>
Capital assets being depreciated:				
Water and sewer system	88,906,404	-	-	88,906,404
Buildings	17,403,306	-	-	17,403,306
Machinery and equipment	1,269,552	54,205	32,620	1,291,137
	<u>107,579,262</u>	<u>54,205</u>	<u>32,620</u>	<u>107,600,847</u>
Less accumulated depreciation for:				
Water and sewer system	37,100,890	3,097,204	-	40,198,094
Buildings	3,367,643	348,066	-	3,715,709
Machinery and equipment	1,130,706	85,720	32,620	1,183,806
	<u>41,599,239</u>	<u>3,530,990</u>	<u>32,620</u>	<u>45,097,609</u>
Total capital assets being depreciated, net	<u>65,980,023</u>	<u>(3,476,785)</u>	<u>-</u>	<u>62,503,238</u>
Business-type activities capital assets, net	<u>\$ 70,031,326</u>	<u>\$ (3,431,975)</u>	<u>\$ -</u>	<u>\$ 66,599,351</u>

Village of Algonquin, Illinois

Notes to Financial Statements

**Note 4. Capital Assets (Continued)**

**(c) Depreciation Charged to Functions/Activities**

Depreciation was charged to functions/activities as follows:

	Governmental Activities	Business-Type Activities
General government	\$ 377,052	\$ -
Public safety	39,777	-
Public works	3,436,509	-
Water and sewer	-	3,530,990
	<u>\$ 3,853,338</u>	<u>\$ 3,530,990</u>

**Note 5. Long-Term Obligations**

The following is a summary of long-term obligation activity associated with governmental activities for the year ended April 30, 2012:

	Balance May 1, 2011	Additions	Retirements	Balance April 30, 2012	Due Within One Year
Compensated Absences Payable	\$ 1,075,537	\$ 1,312,337	\$ 1,282,530	\$ 1,105,344	\$ 732,715
General Obligation Bonds Payable*	8,081,752	143,940	3,420,692	4,805,000	590,000
	<u>\$ 9,157,289</u>	<u>\$ 1,456,277</u>	<u>\$ 4,703,222</u>	<u>\$ 5,910,344</u>	<u>\$ 1,322,715</u>

\* Amount reported in the statement of net assets for governmental activities is net of an unamortized discount and an unamortized premium of \$31,832 and \$18,207, respectively. Additions represent \$143,940 of accretion on the capital appreciation bonds.

The following is a summary of long-term obligation activity associated with business-type activities for the year ended April 30, 2012:

	Balance May 1, 2011	Additions	Retirements	Balance April 30, 2012	Due Within One Year
Compensated Absences Payable	\$ 166,078	\$ 213,175	\$ 206,278	\$ 172,975	\$ 108,853
General Obligation Bonds Payable **	9,220,000	-	455,000	8,765,000	500,000
	<u>\$ 9,386,078</u>	<u>\$ 213,175</u>	<u>\$ 661,278</u>	<u>\$ 8,937,975</u>	<u>\$ 608,853</u>

\*\* Amount reported in the statement of net assets for business-type activities is net of an unamortized discount and an unamortized premium of \$33,699 and \$19,864, respectively.

Village of Algonquin, Illinois

Notes to Financial Statements

**Note 5. Long-Term Obligations (Continued)**

The following is a summary of debt transactions of the Village for the year ended April 30, 2012:

*General Obligation Bonds.* The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for general government activities, Enterprise activities, as well as for refunding previously issued general obligation bonds.

*Revenue Bonds.* The Village also issues bonds where the Village pledges income derived from the acquired or constructed assets to pay debt service.

Description	Fund Debt Retired By	Balances May 1	Additions	Retirements	Balances April 30
<b>Governmental Activities:</b>					
<b>General Obligation Bonds -</b>					
General Obligation Capital Appreciation Bonds Series 2002B \$1,708,794 Initial Aggregate Principal Series 2002, due in annual installments beginning April 1, 2016 through April 1, 2021 ranging from \$675,000 to \$760,000 plus interest at 5.1% to 5.4%	Debt Service	\$ 2,721,752	\$ 143,940	* \$ 2,865,692	\$ -
General Obligation Refunding Series 2005B \$2,925,999 Crossover Bonds due in annual installments of \$535,000 to \$650,000; interest at 3.875% to 3.95% through April 1, 2020	Debt Service	2,935,000	-	-	2,935,000
General Obligation Refunding Series 2010 \$2,425,000 Initial Aggregate Principal due in annual installments of \$555,000 to \$660,000; interest at 2.0% to 3.0% through April 1, 2015	Debt Service	2,425,000	-	555,000	1,870,000
<b>Total General Obligation Bonds - Governmental Activities</b>		<b>\$ 8,081,752</b>	<b>\$ 143,940</b>	<b>\$ 3,420,692</b>	<b>\$ 4,805,000</b>

\* Principal accretion on capital appreciation bonds

Village of Algonquin, Illinois

Notes to Financial Statements

**Note 5. Long-Term Obligations (Continued)**

Description	Fund Debt Retired By	Balances May 1	Additions	Retirements	Balances April 30
<b>General Obligation Bonds - Business-type Activities</b>					
General Obligation Sewer Series 2005A \$9,000,000 Bonds due in annual installments of \$25,000 to \$875,000 interest at 3.5% to 4.15%, through April 1, 2025	Waterworks and Sewerage	\$ 8,865,000	\$ -	\$ 100,000	\$ 8,765,000
General Obligation Refunding Series 2010 \$650,000 Initial Aggregate Principal due in annual installments of \$275,000 to \$355,000; interest at 2.0% through April 1, 2012	Waterworks and Sewerage	355,000	-	355,000	-
<b>Total General Obligation Bonds - Business type Activities</b>		<b>\$ 9,220,000</b>	<b>\$ -</b>	<b>\$ 455,000</b>	<b>\$ 8,765,000</b>

As of April 30, 2012, debt service requirements to maturity on the outstanding general obligation bonds, including interest, are as follows:

Year April 30	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2013	\$ 590,000	\$ 164,706	\$ 754,706	\$ 500,000	\$ 349,160	\$ 849,160
2014	620,000	149,956	769,956	525,000	329,660	854,660
2015	660,000	134,456	794,456	550,000	309,186	859,186
2016	535,000	114,656	649,656	575,000	287,736	862,736
2017	550,000	93,926	643,926	600,000	265,310	865,310
2018-2022	1,850,000	148,202	1,998,202	3,490,000	949,946	4,439,946
2023-2025	-	-	-	2,525,000	211,036	2,736,036
<b>Total</b>	<b>\$ 4,805,000</b>	<b>\$ 805,902</b>	<b>\$ 5,610,902</b>	<b>\$ 8,765,000</b>	<b>\$ 2,702,034</b>	<b>\$ 11,467,034</b>

Village of Algonquin, Illinois

Notes to Financial Statements

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**Note 5. Long-Term Obligations (Continued)**

**Refunding Transactions**

In January 2006, the Village issued \$2,935,000 Series 2005B General Obligation Refunding Bonds (Cross-over bonds) for the purpose of reducing total debt service payments required under the existing 2002B Capital Appreciation Bonds.

The net proceeds from the 2005B bonds of \$2,871,335 were placed in an escrow account and are invested primarily in United States Treasury notes, with principal and interest maturities that approximate the interest payment requirements under the new bonds (2005B bonds), April 2012.

In April 2012 (the cross-over date), the amount remaining in the escrow account (\$2.8 million) was used to call the 2002B bonds (the old bonds). At that time the liability for the 2002B bonds was fully and legally liquidated. This has exhausted all funds in the escrow account. Beginning October 1, 2012, the Village will assume all remaining principal and interest payments remaining on the new bonds (2005B bonds), through their final maturity on April 1, 2020. The net savings in cash flows of the cross-over transaction is approximately \$350,000 (\$131,000 net present value savings).

**Note 6. Interfund Balances and Transfers**

Individual interfund balances and transfers for the Village at April 30, 2012 are shown as follows:

Receivable Fund	Payable Fund	Detail	Due From/To Other Funds
General	Nonmajor Governmental	Short-term loan	\$ 285,200
Total			<u>\$ 285,200</u>
Transfer In Fund	Transfer Out Fund	Detail	Transfers From/To Other Funds
Debt Service Fund	General	Debt service	\$ 820,000
Total			<u>\$ 820,000</u>

## Village of Algonquin, Illinois

### Notes to Financial Statements

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#### **Note 7. Other Information**

##### **(a) Risk Management**

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions. The Village participates in the McHenry County Municipal Risk Management Association (MCMRMA).

The Village pays annual premiums to MCMRMA for its workers' compensation, general liability, public official's liability claims and property coverage. The Cooperative agreement provides that MCMRMA will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$150,000 per occurrence for workers' compensation and \$100,000 per occurrence for general liability and property. One representative from each member serves on the MCMRMA board, and each board member has one vote on the board. None of its members have any direct equity interest in MCMRMA.

The Village purchases commercial insurance to cover its employees for health and accident claims.

The Village has not had significant reductions in insurance coverage during the year nor did settlements exceed insurance coverage in any of the last three years.

##### **(b) 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.

## Village of Algonquin, Illinois

### Notes to Financial Statements

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#### **Note 7. Other Information (Continued)**

##### **(b) Joint Venture (Continued)**

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.

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 \$560,121 to SEECOM during fiscal year 2012. In addition, the Village's equity interest in the joint venture's net assets of \$57,948 is recorded within the governmental activities column of the statement of net assets.

## Village of Algonquin, Illinois

### Notes to Financial Statements

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#### Note 8. Employee Retirement Systems and Plans

##### (a) Illinois Municipal Retirement

###### 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. The Village plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

Information related to the employer's contributions and three-year trend information is on a fiscal year basis. The actuarial information and schedule of funding progress are on a calendar year basis as that is the year used by IMRF.

###### Funding Policy

As set by statute, employer regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2011 was 10.6 percent of annual covered payroll. 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.

###### Annual Pension Cost

The Village's annual pension cost of \$672,552 for the regular plan was equal to the Village's required and actual contributions.

For Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset (Obligation)
2012	\$ 672,552	100 %	\$ -
2011	657,588	100	-
2010	600,735	100	-

The required contributions for 2012 and 2011 were determined as part of the December 31, 2010 and 2009, actuarial valuations using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010 and 2009, (a) 7.50 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the Village's regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The regular plan's unfunded actuarial accrued liability at the December 31, 2010 and 2009 is being amortized as a level percentage of projected payroll on an open 30-year basis.

Village of Algonquin, Illinois

Notes to Financial Statements

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**Note 8. Employee Retirement Systems and Plans (Continued)**

**(a) Illinois Municipal Retirement (Continued)**

**Funded Status and Funding Progress**

As of December 31, 2011, the most recent actuarial valuation date, the regular plan was 76.07 percent funded. The actuarial liability for benefits was \$13,884,364 and the actuarial value of assets was \$10,561,882, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,322,482. The covered payroll (annual payroll of active employees covered by the plan) was \$6,344,834 and the ratio of the UAAL to the covered payroll was 52 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**(b) Police Pension**

**Defined Benefit Pension Plan for Public Safety Employees**

The information included in this section pertaining to the Village's Police Pension Fund, is based on the actuarial valuation performed on April 30, 2012. The actuarial valuation was performed to determine the Village's required contribution and annual pension cost for that plan for its fiscal year ended April 30, 2012.

**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.

At April 30, 2012, the Police Pension Plan membership consisted of:

Retirees, disabled participants and beneficiaries of deceased retirees currently receiving benefits	5
Terminated plan members entitled to but not yet receiving benefits	1
Current employees:	
Vested	37
Nonvested	12
	<hr/>
<b>Total</b>	<b>55</b>
	<hr/> <hr/>

Village of Algonquin, Illinois

Notes to Financial Statements

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**Note 8. Employee Retirement Systems and Plans (Continued)**

**(b) Police Pension (Continued)**

**Plan Description (Continued)**

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.

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 be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% annually thereafter.

Funding Policy

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. By the year 2033 the Village'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.

Annual Pension Cost and Net Pension Asset

At April 30, 2012, the Village's annual pension cost was \$933,004. The Village's actual contribution was \$937,750. For a description of the significant actuarial assumptions, see "Significant Actuarial Assumptions."

The net pension asset at April 30, 2012, was \$27,869. It was comprised of the following:

Net pension obligation:	
Annual required contribution	\$ 933,392
Interest on net pension obligation	(1,619)
Adjustment to annual required contribution	1,231
	<hr/>
Annual pension cost	933,004
Contributions made	937,750
	<hr/>
Increase in net pension asset	4,746
Net pension asset at beginning of year	23,123
	<hr/>
Net pension asset at end of year	<u>\$ 27,869</u>

The net pension asset of \$27,869 is reported by the Village in the government-wide Statement of Net Assets.

Village of Algonquin, Illinois

Notes to Financial Statements

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**Note 8. Employee Retirement Systems and Plans (Continued)**

**(b) Police Pension (Continued)**

**Plan Description (Continued)**

Three-Year Trend Information for the Police Pension

For Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
2012	\$ 933,004	100.5 %	\$ 27,869
2011	916,078	100.1	23,123
2010	768,139	99.9	22,852

**Reserves and Concentration of Investments**

There are no assets legally reserved for purposes other than the payment of plan member benefits. There are no long-term contracts for contributions. As of April 30, 2012, the following investments (other than those issued or guaranteed by the U.S. government) exceed 5% or more of net assets available for benefits:

Issuer	Fair Value	Percentage of Net Assets
Federal Home Loan Mortgage Corporation	\$ 1,598,427	10.96%

**Summary of Significant Accounting Policies and Plan Asset Matters**

**Basis of Accounting**

The financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Administrative costs for the police pension plan are financed primarily through investment earnings.

**Significant Actuarial Assumptions**

The annual required contribution for the year ended April 30, 2012 was determined as part of the April 30, 2012 actuarial valuation report using the entry age normal cost method. The actuarial assumptions included (a) 7.0% investment rate of return, (b) projected salary increases of 5.5%, (c) 3.0% per year cost of living adjustments. Both (a) and (b) included an inflation component of 3.0%. The actuarial value of police pension assets was determined using market values. The Police Pension Plan's unfunded actuarial liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at April 30, 2012 was 21 years.

Village of Algonquin, Illinois

Notes to Financial Statements

**Note 8. Employee Retirement Systems and Plans (Continued)**

**(b) Police Pension (Continued)**

**Funded Status and Funding Progress – Pension Trust Fund**

The funded status of the Police Pension Plan as of April 30, 2012, the most recent actuarial valuation date, is as follows:

(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)–(1) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll	UAAL as a Percentage of Covered Payroll ((2-1)/3)
\$ 14,724,128	\$ 26,531,795	\$ 11,807,667	55.50 %	\$ 4,145,760	284.81 %

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

**Note 9. Other Post-Employment Benefits (OPEB)**

Plan Description

In addition to providing the pension benefits described in Note 8, the Village provides post-employment health care benefits (OPEB) for retired employees that were covered by the health care plan at retirement. However, with the exception of funding HMO medical health care for police officers who retired due to a duty related disability, retired Village employees are required to fully fund the premium for the health care policy.

The Plan provides medical and dental insurance benefits to eligible retirees and their dependents. The benefits, benefit levels, and employer contributions are governed by the Village Board and can only be amended by the Village Board. The Plan is not accounted for as a trust fund and an irrevocable trust has not been established. The Village does not issue a Plan financial report.

Funding Policy

The contribution requirements for plan members and the Village are established and may be amended by the Village Board and are detailed in the “Plan Document and Summary Plan Description.” The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2012, the Village contributed \$13,009 to the plan, representing a portion of current premiums (approximately 27 percent of total premiums). Plan members receiving benefits contributed \$35,020, or approximately 73 percent of the total premiums, through their required contribution of \$383.73 per month for retiree-only coverage, \$795.86 for retiree and dependent coverage and \$1,238.11 for family coverage.

**Village of Algonquin, Illinois**

**Notes to Financial Statements**

**Note 9. Other Post-Employment Benefits (OPEB) (Continued)**

Annual OPEB Cost and Net OPEB Obligation

The Village's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Village's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Village's net OPEB obligation to the plan:

Annual required contribution (ARC)	\$ 56,407
Interest on net OPEB obligation	-
Adjustment to annual required contribution	<u>-</u>
Annual OPEB cost	56,407
Contribution made	<u>13,009</u>
Increase in net OPEB obligation	43,398
Net OPEB obligation beginning of year	<u>82,382</u>
Net OPEB obligation end of year	<u><u>\$ 125,780</u></u>

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

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
4/30/2012	\$ 56,407	23.1%	\$ 125,780
4/30/2011	48,919	52.0%	82,382
4/30/2010	47,937	19.3%	58,903

Funded Status and Funding Progress

As of April 30, 2011 actuarial valuation (most recent available), the plan was 100% unfunded. The actuarial accrued liability for benefits was \$979,390, and the actuarial value of assets was \$0 (zero), resulting in an unfunded actuarial accrued liability (UAAL) of \$979,390. The covered payroll (annual payroll of active employees covered by the plan) was \$10,302,008, and the ratio of the UAAL to the covered payroll was 9.51 percent.

## Village of Algonquin, Illinois

### Notes to Financial Statements

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#### **Note 9. Other Post-Employment Benefits (OPEB) (Continued)**

##### Annual OPEB Cost and Net OPEB Obligation (Continued)

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

##### Actuarial Methods and Assumptions

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

In the April 30, 2011 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 5.0 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 8 percent initially and 6% ultimately. This rate included a 3.0 percent inflation assumption. The actuarial value of assets was determined using market value. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at April 30, 2011, was 29 years.

Village of Algonquin, Illinois

Notes to Financial Statements

**Note 10. Fund Balance**

**Categories**

At April 30, 2012, the Village's fund balances were classified as follows:

	General Fund	Debt Service Fund	Street Improvement Fund	Nonmajor Governmental Funds	Totals
Nonspendable:					
Prepays	\$ 104,327	\$ -	\$ -	\$ 225	\$ 104,552
Total Nonspendable	<u>104,327</u>	<u>-</u>	<u>-</u>	<u>225</u>	<u>104,552</u>
Restricted purpose:					
Grant Programs	-	-	-	2,001,426	2,001,426
Cemetery Purposes	-	-	-	265,490	265,490
Total Restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,266,916</u>	<u>2,266,916</u>
Assigned purpose:					
Debt Service	-	885,085	-	-	885,085
Capital Projects	-	-	4,231,424	131,201	4,362,625
Total Assigned	<u>-</u>	<u>885,085</u>	<u>4,231,424</u>	<u>131,201</u>	<u>5,247,710</u>
Total Unassigned	<u>13,237,235</u>	<u>-</u>	<u>-</u>	<u>(94,471)</u>	<u>13,142,764</u>
Total Fund Balances	<u>\$ 13,341,562</u>	<u>\$ 885,085</u>	<u>\$ 4,231,424</u>	<u>\$ 2,303,871</u>	<u>\$ 20,761,942</u>

**Note 11. Restatement for Implementation of New Accounting Standard**

As shown in the following table, the financial statements of the Village have been restated for the implementation of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The Public Swimming Pool Fund and the Special Revenue Fund were presented as nonmajor special revenue funds in previous years but were reclassified to the General Fund based upon criteria of GASB Statement No. 54. In addition to the changes noted above, the Village has also reclassified the Street Improvement Fund, a major special revenue fund, to a Capital Project Fund based upon the criteria of the Street Improvement Fund of GASB Statement No. 54. There was no change to the fund balance of the Street Improvement Fund reported as of April 30, 2011, as a result of this classification.

	General Fund	Nonmajor Governmental Funds
Fund Balance, April 30, 2011, as previous reported	\$ 10,701,097	\$ 3,200,551
Implementation of GASB 54	<u>1,397,699</u>	<u>(1,397,699)</u>
Fund Balance, April 30, 2011, as reclassified	<u>\$ 12,098,796</u>	<u>\$ 1,802,852</u>

## Village of Algonquin, Illinois

### Notes to Financial Statements

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#### Note 12. New Governmental Accounting Standards (Continued)

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

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, will be effective for the Village beginning with its year ending April 30, 2013. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

1. Financial Accounting Standards Board (FASB) Statements and Interpretations
2. Accounting Principles Board Opinions
3. Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, will be effective for the Village beginning with its year ending April 30, 2013. The objective of this statement is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, will be effective for the Village beginning with its year ending April 30, 2014. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations.

GASB Statement No. 66, *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62*, will be effective for the Village beginning with its year ending April 30, 2014. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement amends Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service fund type. This Statement also amends Statement 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate.

**Village of Algonquin, Illinois**

**Notes to Financial Statements**

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**Note 12. New Governmental Accounting Standards (Continued)**

GASB Statement No. 67, *Financial Reporting for Pension Plans*, will be effective for the Village beginning with its year ended April 30, 2015. This statement builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. This statement enhances note disclosures and RSI for both defined benefit and defined contribution pension plans and requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, will be effective for the Village beginning with its year ended April 30, 2016. This statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI).

Management has not currently determined what impact, if any, these Statements may have on its financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION  
(UNAUDITED)**

Village of Algonquin, Illinois

Required Supplementary Information  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance –  
 Budget and Actual – General Fund - Operating Account - Budgetary Basis  
 Year Ended April 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>				
Charges for services	\$ 232,350	\$ 232,350	\$ 220,821	\$ (11,529)
Licenses and permits	398,000	398,000	397,652	(348)
Intergovernmental, grants and contributions	200,000	278,784	389,955	111,171
Fines, fees and forfeitures	1,094,100	1,094,100	864,061	(230,039)
Property taxes	5,951,000	5,951,000	6,000,829	49,829
Other taxes	9,994,050	9,994,050	10,719,133	725,083
Investment income (net)	32,500	32,500	46,461	13,961
Miscellaneous	12,000	38,400	95,003	56,603
<b>Total revenues</b>	<b>17,914,000</b>	<b>18,019,184</b>	<b>18,733,915</b>	<b>714,731</b>
<b>Expenditures</b>				
Current				
General government	4,064,735	4,092,450	3,846,502	245,948
Public safety	8,558,200	8,578,769	8,328,490	250,279
Public works	4,457,905	4,557,756	4,153,687	404,069
Capital outlay	307,865	307,865	247,756	60,109
<b>Total expenditures</b>	<b>17,388,705</b>	<b>17,536,840</b>	<b>16,576,435</b>	<b>960,405</b>
Excess of revenues over expenditures	525,295	482,344	2,157,480	1,675,136
<b>Other financing sources (uses)</b>				
Transfers in	45,000	45,000	45,000	-
Transfers out	(826,295)	(826,295)	(933,576)	(107,281)
<b>Total other financing sources (uses)</b>	<b>(781,295)</b>	<b>(781,295)</b>	<b>(888,576)</b>	<b>(107,281)</b>
Net change in fund balance	<u>\$ (256,000)</u>	<u>\$ (298,951)</u>	1,268,904	<u>\$ 1,567,855</u>
Fund balance - beginning			<u>10,701,097</u>	
GAAP adjustment - addition of other general funds pursuant to GASB 54			<u>1,371,561</u>	
Fund balance - ending			<u>\$ 13,341,562</u>	

See Note to Required Supplementary Information.

Village of Algonquin, Illinois

Pension Benefits  
 Required Supplementary Information  
 Analysis of Funding Progress

April 30, 2012

Illinois Municipal Retirement Fund

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)-(1) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll	UAAL as a Percentage of Covered Payroll ((2-1)/3)
12/31/2011	\$ 10,561,882	\$ 13,884,364	\$ 3,322,482	76.07 %	\$ 6,344,834	52.37 %
12/31/2010	9,391,075	12,282,617	2,891,542	76.46	6,396,770	45.20
12/31/2009	8,633,022	11,359,422	2,726,400	76.00	6,404,433	42.57
12/31/2008	7,874,381	10,034,268	2,159,887	78.47	6,093,439	35.45
12/31/2007	7,581,534	8,590,433	1,008,899	88.26	5,595,732	18.03
12/31/2006	6,738,166	7,561,324	823,158	89.11	5,181,803	15.89

Police Pension Fund

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)-(1) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll	UAAL as a Percentage of Covered Payroll ((2-1)/3)
05/01/2012	\$ 14,724,128	\$ 26,531,795	\$ 11,807,667	55.50 %	\$ 4,145,760	284.81 %
05/01/2011	12,957,159	24,194,380	11,237,221	53.55	4,008,376	280.34
05/01/2010	10,875,019	21,820,186	10,945,167	49.84	3,865,273	283.17
05/01/2009	8,910,341	19,682,936	10,772,595	45.27	3,799,289	283.54
05/01/2008	8,968,447	17,500,170	8,531,723	51.25	3,529,291	241.74
05/01/2007	8,086,877	15,528,795	7,441,918	52.08	3,213,288	231.60

**Village of Algonquin, Illinois**

**Required Supplementary Information  
Employer Contributions**

**April 30, 2012**

**Illinois Municipal Retirement Fund**

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
12/31/2011	\$ 672,552	100 %
12/31/2010	657,588	100
12/31/2009	600,735	100
12/31/2008	563,034	100
12/31/2007	517,605	100
12/31/2006	480,353	100

**Police Pension Fund**

Fiscal Year End Date	Annual Required Contribution	Percentage Contributed
04/30/2012	\$ 933,392	100 %
04/30/2011	916,506	100
04/30/2010	768,620	100
04/30/2009	676,838	100
04/30/2008	444,960	100
04/30/2007	489,474	100

**Village of Algonquin, Illinois**

**Other Post-Employment Benefits  
Required Supplementary Information  
Year Ended April 30, 2012**

**Analysis of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percentage of Annual Covered Payroll ((b - a) / c)
4/30/2012	\$ -	\$ 979,390	\$ 979,390	\$ -	\$ 10,302,008	9.51 %
4/30/2011	-	979,390	979,390	-	10,302,008	9.51
4/30/2010	-	1,102,147	1,102,147	-	10,032,140	10.99
4/30/2009	-	1,102,147	1,102,147	-	10,032,140	10.99
4/30/2008	-	1,102,147	1,102,147	-	10,032,140	10.99

**Employer Contributions**

Fiscal Year Ending	Annual Required Contribution	Percentage Contributed
4/30/2012	\$ 56,407	23.1 %
4/30/2011	48,919	52.0
4/30/2010	47,937	19.3
4/30/2009	45,654	55.7

Information is presented for as many years as is available. The Village implemented GASB Statement No. 45 in fiscal year 2009.

**Village of Algonquin, Illinois**

**Notes to Required Supplementary Information**

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**Note 1. Budgetary Basis of Accounting**

The General Fund Operating Account budget is adopted on a basis consistent with generally accepted accounting principles.

**Note 2. Other Post-Employment Benefits**

The Village adopted the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pension*, during FY2009. The most recent actuarial valuation was as of April 30, 2011.

**COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS  
AND SCHEDULES, BUDGETARY SCHEDULES, FUNDS AND  
LONG-TERM DEBT REQUIREMENTS**

## **GENERAL FUND**

To account for resources traditionally associated with governments which are not required to be accounted for in another fund. The Village's general fund consists of three accounts:

- The Operating Account, which is used to account for the services which are administered by the Village. These services include general government, public safety and public works.
- The Public Swimming Pool Account, which accounts for the operations of the municipal swimming pool. Revenue from seasonal permits and duty fees, as well as a transfer from the Operating Account, provide for the operation and maintenance of the municipal pool.
- The Special Revenue Account, which accounts for:
  - The use of grant monies earmarked for special projects for which financing is provided by grants.
  - The maintenance (including snow removal) of cul de sacs with the Village. Financing is provided by developer impact fees.
  - Development/construction costs for building and enhancing the "tourism related" facilities (a hotel, banquet facility and restaurant). Financing is provided by hotel/motel taxes.
  - Revenue from developer impact fees that the Village transfers to local school districts.

Village of Algonquin, Illinois

General Fund, by Account  
Combining Balance Sheet  
April 30, 2012

	Operating	Public Swimming Pool	Special Revenue	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 3,968,775	\$ 3,081	\$ 670,370	\$ 4,642,226
Investments	5,040,708	-	755,000	5,795,708
Receivables				
Property taxes	5,536,535	-	-	5,536,535
Other taxes	3,312,347	-	-	3,312,347
Accrued interest	35,938	-	6,121	42,059
Other	312,870	-	10,696	323,566
Due from other funds	285,200	-	-	285,200
Prepaid items	103,108	1,219	-	104,327
Total assets	<u>\$ 18,595,481</u>	<u>\$ 4,300</u>	<u>\$ 1,442,187</u>	<u>\$ 20,041,968</u>
<b>Liabilities</b>				
Accounts payable	\$ 362,833	\$ 1,164	\$ -	\$ 363,997
Deferred revenues - property tax	5,536,534	-	-	5,536,534
Deferred revenues - other	715,026	711	73,051	788,788
Other liabilities	11,087	-	-	11,087
Total liabilities	<u>6,625,480</u>	<u>1,875</u>	<u>73,051</u>	<u>6,700,406</u>
<b>Fund Balances</b>				
Nonspendable	103,108	1,219	-	104,327
Unassigned	11,866,893	1,206	1,369,136	13,237,235
Total fund balances	<u>11,970,001</u>	<u>2,425</u>	<u>1,369,136</u>	<u>13,341,562</u>
Total liabilities and fund balances	<u>\$ 18,595,481</u>	<u>\$ 4,300</u>	<u>\$ 1,442,187</u>	<u>\$ 20,041,968</u>

Village of Algonquin, Illinois

General Fund, by Account  
 Combining Statement of Revenues, Expenditures  
 and Changes in Fund Balances  
 Year Ended April 30, 2012

	Operating	Public Swimming Pool	Special Revenue	Eliminations	Total
<b>Revenues</b>					
Charges for services	\$ 220,821	\$ 100,051	\$ -	\$ -	\$ 320,872
Licenses and permits	397,652	-	-	-	397,652
Intergovernmental, grants and contributions	389,955	-	-	-	389,955
Fines, fees and forfeitures	864,061	-	-	-	864,061
Property taxes	6,000,829	-	-	-	6,000,829
Other taxes	10,719,133	-	56,282	-	10,775,415
Investment Income (net)	46,461	3	7,210	-	53,674
Miscellaneous	95,003	21,299	-	-	116,302
<b>Total revenues</b>	<b>18,733,915</b>	<b>121,353</b>	<b>63,492</b>	<b>-</b>	<b>18,918,760</b>
<b>Expenditures</b>					
<b>Current</b>					
General government	3,846,502	249,315	10,354	-	4,106,171
Public safety	8,328,490	-	-	-	8,328,490
Public works	4,153,687	-	19,890	-	4,173,577
Capital outlay	247,756	-	-	-	247,756
<b>Total expenditures</b>	<b>16,576,435</b>	<b>249,315</b>	<b>30,244</b>	<b>-</b>	<b>16,855,994</b>
Excess (deficiency) of revenues over expenditures	2,157,480	(127,962)	33,248	-	2,062,766
<b>Other financing sources (uses)</b>					
Transfers in	45,000	113,576	-	(158,576)	-
Transfers out	(933,576)	-	(45,000)	158,576	(820,000)
<b>Total other financing sources (uses)</b>	<b>(888,576)</b>	<b>113,576</b>	<b>(45,000)</b>	<b>-</b>	<b>(820,000)</b>
Net change in fund balances	1,268,904	(14,386)	(11,752)	-	1,242,766
Fund balances - beginning, as restated	10,701,097	16,811	1,380,888	-	12,098,796
Fund balances - ending	\$ 11,970,001	\$ 2,425	\$ 1,369,136	\$ -	\$ 13,341,562

**Village of Algonquin, Illinois**

**General Fund - Operating Account**

**Schedule of Revenues - Budget and Actual  
Year Ended April 30, 2012**

	Original Budget	Final Budget	Actual
<b>Charges for services</b>			
Building and zoning	\$ 2,000	\$ 2,000	\$ 12,925
Platting fees	5,000	5,000	18,300
Police training reimbursement	1,000	1,000	1,350
Snow plowing fees	3,000	3,000	1,219
Park usage fees	10,000	10,000	18,452
Recreation programs	140,350	140,350	98,385
Site development fee	1,000	1,000	1,100
Public art impact fee	500	500	879
Rental income	66,000	66,000	66,345
Historical commission	500	500	545
Subdivision signs	3,000	3,000	1,321
Total charges for services	<u>232,350</u>	<u>232,350</u>	<u>220,821</u>
<b>Licenses and permits</b>			
Liquor licenses	110,000	110,000	109,758
Building permits	250,000	250,000	244,130
Miscellaneous licenses	38,000	38,000	43,764
Total licenses and permits	<u>398,000</u>	<u>398,000</u>	<u>397,652</u>
<b>Intergovernmental, grants and contributions</b>			
Intergovernmental agreements	90,000	95,000	134,822
Grants - operating, public safety, general	55,000	128,784	160,133
Contributions	55,000	55,000	95,000
Total intergovernmental, grants and contributions	<u>200,000</u>	<u>278,784</u>	<u>389,955</u>
<b>Fines, fees and forfeitures</b>			
County court and drug fines	312,200	312,200	251,186
County prosecution fines	4,000	4,000	13,380
Police fines	20,000	20,000	10,708
Restitution - Court Cases	1,000	1,000	7,864
Police accident reports	4,400	4,400	3,600
Reports, maps and ordinances	2,000	2,000	3,038
Building permit fines	6,000	6,000	5,029

(Continued)

Village of Algonquin, Illinois

General Fund - Operating Account

Schedule of Revenues - Budget and Actual (Continued)

Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
Fines, fees and forfeitures (Continued)			
Towing and storage	\$ 75,000	\$ 75,000	\$ 64,280
Traffic light enforcement	610,000	610,000	402,829
Municipal fines	58,500	58,500	100,303
Maintenance fee	1,000	1,000	1,784
Administrative fees	-	-	60
Total fines, fees and forfeitures	<u>1,094,100</u>	<u>1,094,100</u>	<u>864,061</u>
Property taxes			
General	1,475,000	1,475,000	1,480,932
Road and bridge	350,000	350,000	377,319
Social security	675,000	675,000	677,714
Insurance	350,000	350,000	351,406
IMRF	450,000	450,000	451,811
School crossing	19,000	19,000	19,075
Police protection	1,688,000	1,688,000	1,694,782
ESDA	10,000	10,000	10,040
Police pension	934,000	934,000	937,750
Total property taxes	<u>5,951,000</u>	<u>5,951,000</u>	<u>6,000,829</u>
Other taxes			
Personal property replacement tax	54,000	54,000	56,963
Cable TV fees	400,050	400,050	431,118
Telecommunication tax	190,000	190,000	227,081
State income tax	2,850,000	2,850,000	3,003,337
Sales tax	6,500,000	6,500,000	7,000,634
Total other taxes	<u>9,994,050</u>	<u>9,994,050</u>	<u>10,719,133</u>
Investment income (expense)			
Net appreciation (depreciation) in fair value of investments	-	-	(1,215)
Interest income	32,500	32,500	49,981
Less investment expenses	-	-	(2,305)
Total investment income	<u>32,500</u>	<u>32,500</u>	<u>46,461</u>
Miscellaneous			
Other	<u>12,000</u>	<u>38,400</u>	<u>95,003</u>
Total revenues	<u>\$ 17,914,000</u>	<u>\$ 18,019,184</u>	<u>\$ 18,733,915</u>

Village of Algonquin, Illinois

General Fund - Operating Account

Schedule of Expenditures - Budget and Actual  
Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
Current			
General government			
Administration			
Personnel	\$ 1,456,250	\$ 1,456,250	\$ 1,409,587
Commodities	183,530	193,330	167,163
Contractual services	950,920	983,831	885,567
Other charges	187,235	148,560	108,121
Total administration	<u>2,777,935</u>	<u>2,781,971</u>	<u>2,570,438</u>
Community development			
Personnel	1,107,800	1,107,800	1,074,322
Commodities	33,025	33,025	28,280
Contractual services	126,520	151,299	167,594
Other charges	19,455	18,355	5,868
Total community development	<u>1,286,800</u>	<u>1,310,479</u>	<u>1,276,064</u>
Total general government	<u>4,064,735</u>	<u>4,092,450</u>	<u>3,846,502</u>
Public safety			
Police department			
Personnel	6,051,125	6,029,125	5,887,842
Commodities	188,800	218,440	213,383
Contractual services	1,317,175	1,330,104	1,232,163
Other charges	1,001,100	1,001,100	995,102
Total public safety	<u>8,558,200</u>	<u>8,578,769</u>	<u>8,328,490</u>
Public works			
Public works administration			
Personnel	517,200	522,200	486,946
Commodities	17,500	17,500	17,532
Contractual services	59,950	58,650	49,230
Other charges	13,550	14,650	11,925
Total public works administration	<u>608,200</u>	<u>613,000</u>	<u>565,633</u>

(Continued)

Village of Algonquin, Illinois

General Fund - Operating Account

Schedule of Expenditures - Budget and Actual (Continued)  
Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
Public works (Continued)			
Streets department			
Personnel	\$ 1,180,850	\$ 1,180,850	\$ 1,130,201
Commodities	157,050	220,791	198,473
Contractual services	881,500	879,710	748,435
Other charges	8,800	8,800	8,035
Total streets	<u>2,228,200</u>	<u>2,290,151</u>	<u>2,085,144</u>
Parks			
Personnel	1,166,350	1,166,350	1,034,535
Commodities	116,360	146,541	139,678
Contractual services	326,845	329,764	317,570
Other charges	11,950	11,950	11,127
Total parks	<u>1,621,505</u>	<u>1,654,605</u>	<u>1,502,910</u>
Total public works	<u>4,457,905</u>	<u>4,557,756</u>	<u>4,153,687</u>
Capital outlay			
Public safety	-	-	-
Public works	256,000	256,000	204,412
Non-departmental	51,865	51,865	43,344
Total capital outlay	<u>307,865</u>	<u>307,865</u>	<u>247,756</u>
Total expenditures	<u>\$ 17,388,705</u>	<u>\$ 17,536,840</u>	<u>\$ 16,576,435</u>

Village of Algonquin, Illinois

General Fund - Public Swimming Pool Account

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
<b>Revenues</b>			
Charges for services			
Swimming pool fees	\$ 38,000	\$ 38,000	\$ 34,983
Swimming daily fees	32,000	32,000	26,185
Swimming lessons	45,000	45,000	25,354
Concessions - candy	13,500	13,500	13,529
Interest	5	5	3
Miscellaneous	18,000	18,000	21,299
<b>Total revenues</b>	<b>146,505</b>	<b>146,505</b>	<b>121,353</b>
<b>Expenditures</b>			
<b>Current</b>			
General government			
Personnel	105,690	105,690	92,300
Commodities	15,700	15,700	11,822
Contractual services	92,970	92,970	143,330
Other	3,640	3,640	1,863
<b>Total expenditures</b>	<b>218,000</b>	<b>218,000</b>	<b>249,315</b>
Deficiency of revenues over expenditures	(71,495)	(71,495)	(127,962)
<b>Other financing sources</b>			
Transfers in	71,495	71,495	113,576
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(14,386)</b>
Fund balance - beginning			16,811
Fund balance - ending			<b>\$ 2,425</b>

Village of Algonquin, Illinois

General Fund - Public Swimming Pool Account

Schedule of Expenditures - Budget and Actual  
Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
Expenditures			
Current			
General government			
Personnel			
Salary of pool employees	\$ 97,385	\$ 97,385	\$ 85,187
Social security/state unemployment tax	8,305	8,305	7,113
	<u>105,690</u>	<u>105,690</u>	<u>92,300</u>
Commodities			
Office supplies	1,225	1,225	575
Concessions	8,550	8,550	8,308
Small tools and equipment	5,925	5,925	2,939
	<u>15,700</u>	<u>15,700</u>	<u>11,822</u>
Contractual services			
Telephone	25	25	-
Gas-heat	3,485	3,485	2,330
Electricity	6,000	6,000	3,521
Water	3,000	3,000	3,227
Maintenance	72,260	72,260	126,593
Insurance	8,200	8,200	7,659
	<u>92,970</u>	<u>92,970</u>	<u>143,330</u>
Other			
Travel/training/dues	1,530	1,530	629
Uniforms and safety items	2,110	2,110	1,234
	<u>3,640</u>	<u>3,640</u>	<u>1,863</u>
Total expenditures	<u>\$ 218,000</u>	<u>\$ 218,000</u>	<u>\$ 249,315</u>

Village of Algonquin, Illinois

General Fund - Special Revenue Account

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
Revenues			
Contributions	\$ 100,000	\$ 100,000	\$ -
Other taxes			
Hotel tax	55,000	55,000	56,282
Interest	11,700	11,700	7,210
Total revenues	<u>166,700</u>	<u>166,700</u>	<u>63,492</u>
Expenditures			
Current			
General government			
Regional marketing	13,000	13,000	10,354
Contractual services - impact fees	100,000	100,000	-
Public works			
Contractual services - snow removal	7,500	22,200	19,890
Total expenditures	<u>120,500</u>	<u>135,200</u>	<u>30,244</u>
Excess of revenues over expenditures	46,200	31,500	33,248
Other financing uses			
Transfers out	<u>(45,000)</u>	<u>(45,000)</u>	<u>(45,000)</u>
Net change in fund balance	<u>\$ 1,200</u>	<u>\$ (13,500)</u>	<u>(11,752)</u>
Fund balance - beginning			<u>1,380,888</u>
Fund balance - ending			<u>\$ 1,369,136</u>

**NONMAJOR GOVERNMENTAL FUNDS – COMBINING STATEMENTS**

Village of Algonquin, Illinois

**Nonmajor Governmental Funds  
Combining Balance Sheet  
April 30, 2012**

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 2,404,103	\$ 85,305	\$ 2,489,408
Investments	150,000	45,000	195,000
Receivables			
Intergovernmental	66,331	-	66,331
Accrued interest	298	896	1,194
Prepaid items	225	-	225
	<hr/>		
Total assets	<u>\$ 2,620,957</u>	<u>\$ 131,201</u>	<u>\$ 2,752,158</u>
<b>Liabilities</b>			
Accounts payable	\$ 163,087	\$ -	\$ 163,087
Due to other funds	285,200	-	285,200
	<hr/>		
Total liabilities	<u>448,287</u>	<u>-</u>	<u>448,287</u>
<b>Fund Balances</b>			
Nonspendable	225	-	225
Restricted	2,266,916	-	2,266,916
Assigned	-	131,201	131,201
Unassigned	(94,471)	-	(94,471)
	<hr/>		
Total fund balances	<u>2,172,670</u>	<u>131,201</u>	<u>2,303,871</u>
	<hr/>		
Total liabilities and fund balances	<u>\$ 2,620,957</u>	<u>\$ 131,201</u>	<u>\$ 2,752,158</u>

Village of Algonquin, Illinois

**Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Year Ended April 30, 2012**

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Charges for services	\$ 17,850	\$ -	\$ 17,850
Intergovernmental, grants and contributions	916,285	-	916,285
Interest	2,373	881	3,254
Miscellaneous	19,002	-	19,002
<b>Total revenues</b>	<b>955,510</b>	<b>881</b>	<b>956,391</b>
<b>Expenditures</b>			
Current			
General government	31,996	-	31,996
Public works	423,376	-	423,376
<b>Total expenditures</b>	<b>455,372</b>	<b>-</b>	<b>455,372</b>
<b>Net change in fund balances</b>	<b>500,138</b>	<b>881</b>	<b>501,019</b>
Fund balances - beginning, as restated	1,672,532	130,320	1,802,852
<b>Fund balances - ending</b>	<b>\$ 2,172,670</b>	<b>\$ 131,201</b>	<b>\$ 2,303,871</b>

### **NONMAJOR SPECIAL REVENUE FUNDS**

**Motor Fuel Tax Fund** – to account for maintenance and various street improvements in the Village. Financing is provided by the Village's share of Motor Fuel Tax allotments. State statutes require those allotments to be used to maintain streets.

**Parks Fund** - to account for the acquisition of new park sites. Financing is provided by developer contributions. In addition, monies have been allocated in this fund for design and development of Algonquin Lakes Park, Hill Climb Park, Cornish Park, and Broadsmore Park.

**Cemetery Fund** - to account for the operations of the Village owned cemetery. Financing is provided by fees and transfers from the General Fund.

Village of Algonquin, Illinois

Nonmajor Special Revenue Funds

Combining Balance Sheet

April 30, 2012

	Motor Fuel Tax	Parks	Cemetery	Totals
<b>Assets</b>				
Cash and cash equivalents	\$ 2,047,198	\$ 240,713	\$ 116,192	\$ 2,404,103
Investments	-	-	150,000	150,000
Receivables				
Intergovernmental	58,331	8,000	-	66,331
Accrued interest	-	-	298	298
Prepaid items	-	-	225	225
Total assets	<u>\$ 2,105,529</u>	<u>\$ 248,713</u>	<u>\$ 266,715</u>	<u>\$ 2,620,957</u>
<b>Liabilities</b>				
Accounts payable	\$ 104,103	\$ 57,984	\$ 1,000	\$ 163,087
Due to other funds	-	285,200	-	285,200
Total liabilities	<u>104,103</u>	<u>343,184</u>	<u>1,000</u>	<u>448,287</u>
<b>Fund Balances</b>				
Nonspendable	-	-	225	225
Restricted	2,001,426	-	265,490	2,266,916
Unassigned	-	(94,471)	-	(94,471)
Total fund balances	<u>2,001,426</u>	<u>(94,471)</u>	<u>265,715</u>	<u>2,172,670</u>
Total liabilities and fund balances	<u>\$ 2,105,529</u>	<u>\$ 248,713</u>	<u>\$ 266,715</u>	<u>\$ 2,620,957</u>

Village of Algonquin, Illinois

Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances (Deficit)  
Year Ended April 30, 2012

	Motor Fuel Tax	Parks	Cemetery	Totals
<b>Revenues</b>				
Charges for services	\$ -	\$ -	\$ 17,850	\$ 17,850
Intergovernmental, grants and contributions	907,733	8,552	-	916,285
Interest	1,116	213	1,044	2,373
Miscellaneous	-	-	19,002	19,002
<b>Total revenues</b>	<b>908,849</b>	<b>8,765</b>	<b>37,896</b>	<b>955,510</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	-	-	31,996	31,996
Public works	246,157	177,219	-	423,376
<b>Total expenditures</b>	<b>246,157</b>	<b>177,219</b>	<b>31,996</b>	<b>455,372</b>
<b>Net change in fund balances</b>	<b>662,692</b>	<b>(168,454)</b>	<b>5,900</b>	<b>500,138</b>
<b>Fund balances - beginning, as restated</b>	<b>1,338,734</b>	<b>73,983</b>	<b>259,815</b>	<b>1,672,532</b>
<b>Fund balances (deficit) - ending</b>	<b>\$ 2,001,426</b>	<b>\$ (94,471)</b>	<b>\$ 265,715</b>	<b>\$ 2,172,670</b>

Village of Algonquin, Illinois

Motor Fuel Tax Fund

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental			
Motor fuel tax allotments	\$ 823,850	\$ 823,850	\$ 907,733
Interest	2,000	2,000	1,116
Total revenues	<u>825,850</u>	<u>825,850</u>	<u>908,849</u>
Expenditures			
Current			
Public works			
Materials	328,000	328,000	256,526
Maintenance	-	11,000	(10,369)
Total expenditures	<u>328,000</u>	<u>339,000</u>	<u>246,157</u>
Net change in fund balance	<u>\$ 497,850</u>	<u>\$ 486,850</u>	662,692
Fund balance - beginning			<u>1,338,734</u>
Fund balance - ending			<u>\$ 2,001,426</u>

Village of Algonquin, Illinois

Parks Fund

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
Revenues			
Contributions	\$ 8,000	\$ 8,000	\$ 8,552
Interest	2,000	2,000	213
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>8,765</u>
Expenditures			
Current			
Public works			
Contractual services			
Tree planting	70,000	70,000	68,856
Wetland mitigation	115,500	115,500	70,779
Ecosystem maintenance	45,000	45,000	37,584
Total expenditures	<u>230,500</u>	<u>230,500</u>	<u>177,219</u>
Net change in fund balance	<u>\$ (220,500)</u>	<u>\$ (220,500)</u>	(168,454)
Fund balance - beginning			<u>73,983</u>
Fund balance - ending			<u>\$ (94,471)</u>

Village of Algonquin, Illinois

Cemetery Fund

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2011

	Original Budget	Final Budget	Actual
<b>Revenues</b>			
Charges for services			
Opening graves and closing crypts	\$ 10,000	\$ 10,000	\$ 11,850
Perpetual care	1,500	1,500	1,400
Sale of lots	4,500	4,500	4,600
Interest	5,050	5,050	1,044
Miscellaneous	19,000	19,000	19,002
<b>Total revenues</b>	<b>40,050</b>	<b>40,050</b>	<b>37,896</b>
<b>Expenditures</b>			
Current			
General government			
Commodities			
Supplies	2,400	2,400	869
Contractual services			
Professional services	28,200	28,200	20,754
Grave openings	7,000	7,000	8,900
Insurance	1,500	1,500	1,473
<b>Total expenditures</b>	<b>39,100</b>	<b>39,100</b>	<b>31,996</b>
<b>Net change in fund balance</b>	<b>\$ 950</b>	<b>\$ 950</b>	<b>5,900</b>
Fund balance - beginning			259,815
Fund balance - ending			<b>\$ 265,715</b>

## **MAJOR DEBT SERVICE FUND**

**Debt Service Fund** – to account for the accumulation of resources for, and the payment of, general obligation debt principal, interest and related costs.

Village of Algonquin, Illinois

Debt Service Fund

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
Revenues			
Interest	\$ 125,200	\$ 125,200	\$ 111,102
Expenditures			
Debt service			
Principal	590,000	3,455,695	3,420,695
Interest fees and fiscal charges	170,000	170,000	176,146
Total expenditures	760,000	3,625,695	3,596,841
Deficiency of revenues over expenditures	(634,800)	(3,500,495)	(3,485,739)
Other financing sources			
Transfers in	754,800	754,800	820,000
Total other financing sources	754,800	754,800	820,000
Net change in fund balance	<u>\$ 120,000</u>	<u>\$ (2,745,695)</u>	(2,665,739)
Fund balance - beginning			<u>3,550,824</u>
Fund balance - ending			<u>\$ 885,085</u>

## **MAJOR CAPITAL PROJECTS FUND**

**Street Improvement Fund** – to account for the construction, improvement and maintenance of Village streets. Financing is provided by developer contributions, utility tax receipts, telecommunications tax receipts and transfers from other funds.

Village of Algonquin, Illinois

Capital Projects Fund - Street Improvement Fund

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
<b>Revenues</b>			
Contributions	\$ -	\$ -	\$ 247,268
Other taxes			
Home rule sales tax	1,410,000	1,410,000	1,568,309
Utility taxes	1,070,000	1,070,000	963,634
Telecommunication taxes	465,000	465,000	613,959
Interest	15,000	15,000	9,247
<b>Total revenues</b>	<b>2,960,000</b>	<b>2,960,000</b>	<b>3,402,417</b>
<b>Expenditures</b>			
Public works			
Contractual services			
Legal services	6,000	6,000	1,875
Engineering services	412,000	561,790	490,483
Infrastructure maintenance	768,000	829,374	595,745
Capital outlay			
Capital improvements	1,150,000	1,292,000	970,069
<b>Total expenditures</b>	<b>2,336,000</b>	<b>2,689,164</b>	<b>2,058,172</b>
<b>Net change in fund balance</b>	<b>\$ 624,000</b>	<b>\$ 270,836</b>	<b>1,344,245</b>
Fund balance - beginning			<u>2,887,179</u>
Fund balance - ending			<u><u>\$ 4,231,424</u></u>

## **NONMAJOR CAPITAL PROJECTS FUND**

**Village Expansion Fund** – to account for Village expansion projects. Financing is provided from the issuance of debt and development fees.

Village of Algonquin, Illinois

Nonmajor Capital Projects Fund - Village Expansion Fund

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
Revenues			
Interest	\$ 105	\$ 105	\$ 881
Total revenues	105	105	881
Expenditures			
Capital outlay	-	-	-
Net change in fund balance	\$ 105	\$ 105	881
Fund balance - beginning			130,320
Fund balance - ending			\$ 131,201

## **MAJOR ENTERPRISE FUND**

**Waterworks and Sewerage Fund** – to account for the provision of water and sewer 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, maintenance, financing and related debt service and billing and collection.

Village of Algonquin, Illinois

Waterworks and Sewerage Fund

Schedule of Net Assets - by Account

April 30, 2012

	Operations and Maintenance	Improvements and Extension	Totals
<b>Assets</b>			
Current Assets			
Cash and cash equivalents	\$ 1,348,916	\$ 4,965,447	\$ 6,314,363
Investments	200,000	1,500,000	1,700,000
Receivables			
Accounts	808,772	448,912	1,257,684
Interest	6,590	21,192	27,782
Other	-	54,900	54,900
Prepaid items	31,052	-	31,052
Intrafund receivable (payable)	1,081,508	(1,081,508)	-
Restricted assets - investments	673,000	850,000	1,523,000
<b>Total current assets</b>	<b>4,149,838</b>	<b>6,758,943</b>	<b>10,908,781</b>
Deferred charges	56,265	-	56,265
Capital Assets			
Cost	111,696,960	-	111,696,960
Accumulated depreciation	(45,097,609)	-	(45,097,609)
<b>Total capital assets, net</b>	<b>66,599,351</b>	<b>-</b>	<b>66,599,351</b>
Total assets	\$ 70,805,454	\$ 6,758,943	\$ 77,564,397
<b>Liabilities</b>			
Current Liabilities			
Accounts payable	\$ 247,842	\$ 53,504	\$ 301,346
Accrued interest	29,097	-	29,097
Compensated absences payable	108,853	-	108,853
General obligation bonds payable	500,000	-	500,000
<b>Total current liabilities</b>	<b>885,792</b>	<b>53,504</b>	<b>939,296</b>
Noncurrent Liabilities			
Compensated absences payable	64,122	-	64,122
General obligation bonds payable, net	8,251,165	-	8,251,165
<b>Total noncurrent liabilities</b>	<b>8,315,287</b>	<b>-</b>	<b>8,315,287</b>
Total liabilities	9,201,079	53,504	9,254,583
<b>Net Assets</b>			
Invested in capital assets, net of related debt	57,848,186	-	57,848,186
Restricted for debt service	673,000	850,000	1,523,000
Unrestricted	3,083,189	5,855,439	8,938,628
Total net assets	\$ 61,604,375	\$ 6,705,439	\$ 68,309,814

Village of Algonquin, Illinois

Waterworks and Sewerage Fund

Schedule of Revenues, Expenses and Nonoperating Revenues (Expenses)  
- Budget and Actual (Budgetary Basis)  
Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
Operating revenues			
Charges for services			
Water and sewer revenue	\$ 5,283,000	\$ 5,283,000	\$ 5,321,765
Meter sales	7,500	7,500	2,900
Connection fees	100,000	100,000	69,557
Administration fee	84,500	84,500	81,483
Miscellaneous	123,800	123,800	120,676
Total operating revenues	<u>5,598,800</u>	<u>5,598,800</u>	<u>5,596,381</u>
Operating expenses excluding depreciation	<u>6,374,575</u>	<u>6,414,763</u>	<u>4,650,933</u>
Nonoperating revenues (expenses)			
Home rule sales tax	2,167,000	2,167,000	2,189,131
Contributions - developers	25,000	25,000	29,717
Interest income	22,300	22,300	35,586
Principal retirement	(855,000)	(855,000)	(455,000)
Interest expense and fiscal agent fees	(364,300)	(364,300)	(378,173)
Total nonoperating revenues (expenses)	<u>995,000</u>	<u>995,000</u>	<u>1,421,261</u>

Village of Algonquin, Illinois

Waterworks and Sewerage Fund

Schedule of Operating Expenses - Budget and Actual (Budgetary Basis)  
Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
Water department			
Personnel			
IMRF	\$ 96,825	\$ 96,825	\$ 91,644
FICA	68,000	68,000	65,284
Unemployment tax	1,250	1,250	1,064
Health insurance	160,485	160,485	171,075
Salaries	860,655	860,655	885,123
Overtime	28,000	28,000	24,598
Commodities			
Meters	70,000	70,000	63,493
Office supplies	500	500	409
Materials	29,100	28,990	13,659
Chemicals	199,080	199,080	155,573
Postage	30,300	30,300	25,579
Small tools and equipment	12,350	12,350	8,317
Vehicles and equipment	24,950	4,955	3,298
Fuel	25,325	25,325	25,724
Lab supplies	7,580	7,580	7,550
Office furniture and equipment	16,765	14,156	7,618
Contractual services			
Utilities	332,800	332,800	278,467
Legal services	4,000	4,000	3,840
Audit services	4,340	4,340	4,335
Engineering services	89,000	89,000	86,154
Professional services	81,500	81,500	65,765
Insurance	91,875	91,875	89,492
Publications	900	900	447
Printing	5,700	5,700	4,646
Equipment rental	8,250	8,250	304
Physical exams	160	160	-
Travel/training/dues	6,915	6,915	6,449
Bank processing fees	18,000	18,000	16,937
Uniforms	6,775	6,775	5,312
Maintenance			
Wells	61,980	61,980	26,187
Booster station	16,980	8,480	3,002
Maintenance storage facility	9,000	4,000	2,905
Treatment facility	8,150	21,650	21,341
Distribution system	31,750	31,750	28,034

(Continued)

Village of Algonquin, Illinois

Waterworks and Sewerage Fund

Schedule of Operating Expenses - Budget and Actual (Budgetary Basis) (Continued)  
Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
Water department (continued)			
Contractual services (continued)			
Maintenance (continued)			
Vehicle maintenance	\$ 28,945	\$ 28,945	\$ 27,303
Building maintenance	71,900	71,900	69,195
Maintenance - Other	500	610	609
Equipment maintenance	35,965	35,965	43,928
Capital outlay	-	23,515	-
Less fixed assets capitalized	-	(23,515)	-
Total water department	<u>2,546,550</u>	<u>2,523,946</u>	<u>2,334,660</u>
Sewer department			
Personnel			
IMRF	87,510	87,510	77,980
FICA	63,200	63,200	55,793
Unemployment tax	1,060	1,060	866
Health insurance	138,735	138,735	112,203
Salaries	799,815	799,815	741,490
Overtime	29,600	29,600	19,986
Commodities			
Meters	70,000	70,000	63,493
Office supplies	500	500	507
Materials	14,050	13,940	5,926
Chemicals	82,100	71,700	31,375
Postage	28,000	28,000	22,488
Small tools and equipment	27,470	27,470	21,312
Vehicles and equipment	46,500	26,505	23,293
Fuel	16,455	16,455	23,848
Lab supplies	6,650	6,650	6,315
Office furniture and equipment	16,765	14,156	7,525
Contractual services			
Utilities	457,935	461,935	440,454
Legal services	4,000	4,000	1,425
Audit services	4,335	4,335	4,335
Engineering services	4,000	4,000	883
Professional services	93,400	93,400	59,626

(Continued)

Village of Algonquin, Illinois

Waterworks and Sewerage Fund

Schedule of Operating Expenses - Budget and Actual (Budgetary Basis) (Continued)  
 Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
Sewer department (continued)			
Contractual services (continued)			
Insurance	\$ 91,875	\$ 91,875	\$ 90,319
Publications	500	500	788
Printing	1,500	1,500	549
Equipment rental	1,000	1,000	51
Physical exams	160	160	-
Sludge removal	79,540	85,940	85,927
Travel/training/dues	4,800	4,800	4,211
Bank processing fees	18,000	18,000	16,936
Uniforms	6,975	6,975	6,526
Maintenance			
Treatment facility	101,880	101,880	83,697
Lift station	27,500	27,500	11,556
Collection station	15,300	15,300	1,258
Vehicle maintenance	34,165	34,165	25,295
Building maintenance	97,125	97,125	79,959
Equipment maintenance	30,025	30,025	31,923
Other	500	610	609
Capital outlay	116,025	139,540	34,545
Less capitalized amounts	(116,025)	(139,540)	-
Total sewer department	2,502,925	2,480,321	2,195,272
Non departmental			
Contractual services			
Engineering services	109,100	109,100	8,854
Legal services	10,000	10,000	264
Infrastructure maintenance	1,206,000	1,291,396	111,883
Total non departmental	1,325,100	1,410,496	121,001
Total operating expenses	\$ 6,374,575	\$ 6,414,763	\$ 4,650,933

## **INTERNAL SERVICE FUNDS**

**Building Service Fund** – to account for the maintenance of Village buildings and land. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, financing and related billing and collection.

**Vehicle Maintenance Fund** – to account for the fueling, repair and maintenance of Village vehicles and equipment. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, financing and related billing and collection.

Village of Algonquin, Illinois

Combining Statement of Net Assets - Internal Service Funds

April 30, 2012

	Building Service Fund	Vehicle Maintenance Fund	Total
<b>Assets</b>			
Current			
Cash and cash equivalents	\$ -	\$ 48,226	\$ 48,226
Receivables			
Accounts	-	5,675	5,675
Inventory	20,245	105,287	125,532
	<u>20,245</u>	<u>159,188</u>	<u>179,433</u>
Capital Assets			
Cost	20,439	23,019	43,458
Accumulated depreciation	(20,439)	(23,019)	(43,458)
<b>Total capital assets, net</b>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 20,245</u>	<u>\$ 159,188</u>	<u>\$ 179,433</u>
<b>Liabilities</b>			
Current			
Accounts payable	\$ 20,978	\$ 71,414	\$ 92,392
<b>Net Assets</b>			
Unrestricted	<u>\$ (733)</u>	<u>\$ 87,774</u>	<u>\$ 87,041</u>

Village of Algonquin, Illinois

Combining Statement of Revenues, Expenses and Changes in Net Assets -  
Internal Service Funds  
Year Ended April 30, 2012

	Building Service Fund	Vehicle Maintenance Fund	Total
Operating revenues			
Maintenance billings	\$ 669,289	\$ 1,225,029	\$ 1,894,318
Miscellaneous	8,668	1,577	10,245
Total operating revenues	677,957	1,226,606	1,904,563
Operating expenses	678,690	1,226,996	1,905,686
Operating loss	(733)	(390)	(1,123)
Net assets - beginning	-	88,164	88,164
Net assets - ending	\$ (733)	\$ 87,774	\$ 87,041

Village of Algonquin, Illinois

Comining Statement of Cash Flows – Internal Service Funds  
Year Ended April 30, 2012

	Building Service Fund	Vehicle Maintenance Fund	Total
<b>Cash flows from operating activities</b>			
Cash paid to suppliers	\$ (353,329)	\$ (832,148)	\$ (1,185,477)
Cash paid to employees	(324,628)	(390,764)	(715,392)
Cash received for interfund services provided	677,957	1,249,226	1,927,183
Net cash provided by operating activities	-	26,314	26,314
Net increase in cash and equivalents	-	26,314	26,314
Cash and equivalents - beginning	-	21,912	21,912
Cash and equivalents - ending	\$ -	\$ 48,226	\$ 48,226
<b>Reconciliation of operating loss to net cash used for operating activities</b>			
Operating loss	\$ (733)	\$ (390)	\$ (1,123)
<b>Adjustments to reconcile operating loss to net cash used for operating activities</b>			
<b>Changes in assets and liabilities</b>			
Accounts receivable	-	22,620	22,620
Inventory	1,344	(16,584)	(15,240)
Accounts payable	(611)	20,668	20,057
Total adjustments	733	26,704	27,437
Net cash used for operating activities	\$ -	\$ 26,314	\$ 26,314

Village of Algonquin, Illinois

Internal Service Fund - Building Service Fund

Schedule of Revenues, Expenses and  
Changes in Net Assets - Budget and Actual  
Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
Operating revenues			
Charges for services			
Maintenance billings	\$ 683,430	\$ 683,430	\$ 669,289
Miscellaneous	-	-	8,668
Total operating revenues	<u>683,430</u>	<u>683,430</u>	<u>677,957</u>
Operating expenses			
Personnel	326,000	326,000	324,628
Contractual services	8,480	8,315	3,959
Supplies and materials	116,380	116,380	126,413
Maintenance	192,045	224,710	219,621
Other charges	8,025	8,025	4,069
Capital outlay	32,500	-	-
Total operating expenses	<u>683,430</u>	<u>683,430</u>	<u>678,690</u>
Operating income (loss)	<u>\$ -</u>	<u>\$ -</u>	(733)
Net assets - beginning			<u>-</u>
Net assets - ending			<u>\$ (733)</u>

Village of Algonquin, Illinois

Internal Service Fund - Building Service Fund

Schedule of Operating Expenses - Budget and Actual  
Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
Operating expenses			
Personnel			
IMRF	\$ 25,650	\$ 25,650	\$ 24,359
FICA	18,425	18,425	17,479
SUI	600	600	298
Health insurance	41,025	41,025	44,001
Salaries	227,300	227,300	228,394
Overtime	13,000	13,000	10,097
	<u>326,000</u>	<u>326,000</u>	<u>324,628</u>
Contractual services			
Telephone	3,220	3,220	2,805
Natural gas	3,150	3,150	291
Professional services	300	300	322
Publications	250	250	-
Printing and advertising	410	410	-
Equipment rental	750	585	541
Physical exams	400	400	-
	<u>8,480</u>	<u>8,315</u>	<u>3,959</u>
Supplies and materials			
Office supplies	400	400	189
Postage	50	50	31
Building supplies	108,100	108,100	134,292
Tools, equipment and supplies	4,000	4,000	3,419
Fuel	2,990	2,990	5,053
Office furniture and equipment	840	840	840
	<u>116,380</u>	<u>116,380</u>	<u>143,824</u>
Maintenance			
Vehicle maintenance	8,000	8,000	6,244
Equipment maintenance	1,800	1,800	457
Outsourced building maintenance	181,795	214,295	212,311
Office equipment maintenance	450	615	609
	<u>192,045</u>	<u>224,710</u>	<u>219,621</u>

(Continued)

Village of Algonquin, Illinois

Internal Service Fund - Building Service Fund

Schedule of Operating Expenses - Budget and Actual (Continued)  
Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
Operating expenses (continued)			
Other charges			
Travel, training and dues	\$ 5,500	\$ 5,500	\$ 1,678
Uniforms and safety items	2,525	2,525	2,391
	<u>8,025</u>	<u>8,025</u>	<u>4,069</u>
Capital outlay			
Capital purchase	32,500	-	-
	<u>32,500</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>\$ 683,430</u>	<u>\$ 683,430</u>	<u>\$ 678,690</u>

Village of Algonquin, Illinois

Internal Service Fund - Vehicle Maintenance Fund

Schedule of Revenues, Expenses and  
Changes in Net Assets - Budget and Actual  
Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
Operating revenues			
Charges for services			
Maintenance billings	\$ 753,850	\$ 753,850	\$ 734,375
Fire district fuel	71,000	71,000	78,071
Fuel billings	292,700	292,700	297,171
Fleet Maintenance	84,000	84,000	115,412
Miscellaneous	-	-	1,577
Total operating revenues	<u>1,201,550</u>	<u>1,201,550</u>	<u>1,226,606</u>
Operating expenses			
Personnel	395,700	395,700	390,764
Contractual services	30,220	30,055	15,165
Supplies and materials	675,220	675,220	715,982
Maintenance	89,450	89,615	97,312
Other charges	10,960	10,960	7,773
Total operating expenses	<u>1,201,550</u>	<u>1,201,550</u>	<u>1,226,996</u>
Operating income (loss)	<u>\$ -</u>	<u>\$ -</u>	(390)
Net assets - beginning			<u>88,164</u>
Net assets - ending			<u>\$ 87,774</u>

Village of Algonquin, Illinois

Internal Service Fund - Vehicle Maintenance Fund

Schedule of Operating Expenses - Budget and Actual  
Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
Operating expenses			
Personnel			
IMRF	\$ 30,625	\$ 30,625	\$ 29,062
FICA	22,000	22,000	20,845
SUI	550	550	373
Health insurance	56,425	56,425	56,663
Salaries	275,600	275,600	276,059
Overtime	10,500	10,500	7,762
	<u>395,700</u>	<u>395,700</u>	<u>390,764</u>
Contractual services			
Telephone	4,160	4,160	3,679
Natural gas	6,400	6,400	582
Professional services	10,300	10,300	8,105
Publications	7,350	7,350	1,593
Printing and advertising	460	460	-
Equipment rental	1,150	985	1,206
Physical exams	400	400	-
	<u>30,220</u>	<u>30,055</u>	<u>15,165</u>
Supplies and materials			
Office supplies	400	400	398
Postage	100	100	82
Tools, equipment and supplies	4,290	4,290	3,171
Fuel	370,890	370,890	381,512
Oil, lubricants, and fluids	297,100	297,100	328,953
Office furniture and equipment	2,440	2,440	1,866
	<u>675,220</u>	<u>675,220</u>	<u>715,982</u>
Maintenance			
Vehicle maintenance	8,500	8,500	11,903
Equipment maintenance	3,500	3,500	1,685
Building maintenance	37,000	37,000	31,243
Outsourced vehicle and equipment maintenance	40,000	40,000	51,891
Office equipment maintenance	450	615	590
	<u>89,450</u>	<u>89,615</u>	<u>97,312</u>

(Continued)

Village of Algonquin, Illinois

Internal Service Fund - Vehicle Maintenance Fund

Schedule of Operating Expenses - Budget and Actual (Continued)  
Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
Operating expenses (continued)			
Other charges			
Travel, training and dues	\$ 4,150	\$ 4,150	\$ 2,456
Uniforms and safety items	6,810	6,810	5,317
	<u>10,960</u>	<u>10,960</u>	<u>7,773</u>
Total operating expenses	<u>\$ 1,201,550</u>	<u>\$ 1,201,550</u>	<u>\$ 1,226,996</u>

## **FIDUCIARY FUNDS**

### **Pension Trust**

**Police Pension Fund** – to account for the accumulation of resources to be used for retirement annuity payments at appropriate amounts and times in the future. Resources are contributed by sworn police officers at rates fixed by law and by the Village at amounts determined by an annual actuarial study.

### **Agency**

**Developer Deposits Fund** – to account for refundable deposits received from developers.

Village of Algonquin, Illinois

Pension Trust Fund

Statement of Changes in Fiduciary Net Assets - Police Pension Fund -  
Budget and Actual  
Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
<b>Additions</b>			
Contributions			
Employer	\$ 934,000	\$ 934,000	\$ 937,750
Employee	407,000	407,000	479,734
	<u>1,341,000</u>	<u>1,341,000</u>	<u>1,417,484</u>
<b>Investment income</b>			
Net appreciation in fair value of investments	381,525	381,525	379,704
Interest income	197,475	197,475	278,349
Less investment expenses	(65,000)	(65,000)	(67,463)
	<u>514,000</u>	<u>514,000</u>	<u>590,590</u>
Total additions	<u>1,855,000</u>	<u>1,855,000</u>	<u>2,008,074</u>
<b>Deductions</b>			
Administration	18,000	18,000	11,963
Pension benefits and refunds	260,000	260,000	229,141
Total deductions	<u>278,000</u>	<u>278,000</u>	<u>241,104</u>
Change in net assets	<u>\$ 1,577,000</u>	<u>\$ 1,577,000</u>	1,766,970
Net assets - beginning			<u>12,957,158</u>
Net assets - ending			<u>\$ 14,724,128</u>

Village of Algonquin, Illinois

Agency Fund - Developer Deposits

Statement of Changes in Assets and Liabilities  
Year Ended April 30, 2012

	Balance, May 1	Additions	Deductions	Balance, April 30
<b>Assets</b>				
Cash and cash equivalents	\$ 578,502	\$ 457,742	\$ 436,102	\$ 600,142
<b>Liabilities</b>				
Deposits	\$ 578,502	\$ 457,742	\$ 436,102	\$ 600,142

**OTHER SUPPLEMENTARY INFORMATION**

Village of Algonquin, Illinois

Long Term Debt Requirements  
 General Obligation Bonds, Series 2005A  
 April 30, 2012

Date of issue	December 15, 2005
Date of maturity	April 1, 2025
Interest rate	3.5% to 4.15%
Interest dates	October 1 and April 1
Payable at	BNY Midwest Trust Company

**Principal and Interest Requirements**

Fiscal Year	October 1 Interest	April 1		Total
		Principal	Interest	
2013	\$ 174,580	\$ 500,000	\$ 174,580	\$ 849,160
2014	164,830	525,000	164,830	854,660
2015	154,593	550,000	154,593	859,186
2016	143,868	575,000	143,868	862,736
2017	132,655	600,000	132,655	865,310
2018	120,955	625,000	120,955	866,910
2019	108,768	665,000	108,768	882,536
2020	95,800	700,000	95,800	891,600
2021	81,975	725,000	81,975	888,950
2022	67,475	775,000	67,475	909,950
2023	51,781	800,000	51,781	903,562
2024	35,581	850,000	35,581	921,162
2025	18,156	875,000	18,156	911,312
	<u>\$ 1,351,017</u>	<u>\$ 8,765,000</u>	<u>\$ 1,351,017</u>	<u>\$ 11,467,034</u>

Village of Algonquin, Illinois

Long Term Debt Requirements  
 General Obligation Bonds, Series 2005B  
 April 30, 2012

Date of issue	January 1, 2006
Date of maturity	April 1, 2020
Interest rate	3.875% to 3.95%
Interest dates	October 1 and April 1
Payable at	BNY Midwest Trust Company

**Principal and Interest Requirements**

Fiscal Year	October 1	April 1		Total
	Interest	Principal	Interest	
2013	\$ 57,328	\$ -	\$ 57,328	\$ 114,656
2014	57,328	-	57,328	114,656
2015	57,328	-	57,328	114,656
2016	57,328	535,000	57,328	649,656
2017	46,963	550,000	46,963	643,926
2018	36,238	575,000	36,238	647,476
2019	25,025	625,000	25,025	675,050
2020	12,838	650,000	12,838	675,676
	<u>\$ 350,376</u>	<u>\$ 2,935,000</u>	<u>\$ 350,376</u>	<u>\$ 3,635,752</u>

Village of Algonquin, Illinois

Long-Term Debt Requirements

General Obligation Refunding Bonds - Series 2010 Debt Service

April 30, 2012

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Date of issue	June 1, 2010
Date of maturity	April 1, 2015
Interest rate	4.25% - 4.60%
Interest dates	October 1 and April 1
Payable at	BNY Midwest Trust Company

**Principal and Interest Requirements**

Fiscal Year	October 1 Interest	April 1		Total
		Principal	Interest	
2013	\$ 25,025	\$ 590,000	\$ 25,025	\$ 640,050
2014	17,650	620,000	17,650	655,300
2015	9,900	660,000	9,900	679,800
	<u>\$ 52,575</u>	<u>\$ 1,870,000</u>	<u>\$ 52,575</u>	<u>\$ 1,975,150</u>

## Statistical Section

This part of the Village of Algonquin'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.

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	<b>100-108</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the factors affecting the Village's ability to generate its property and sales taxes.	<b>109-114</b>
<b>Debt Capacity</b> 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.	<b>115-118</b>
<b>Demographic and Economic Information</b> 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.	<b>119-121</b>
<b>Operating Information</b> 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.	<b>122-124</b>

### Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The Village implemented Statement 34 in 2004; schedules presenting government-wide information include information beginning in that year.

**Village of Algonquin, Illinois**

**Net Assets by Component  
Last Nine Fiscal Years**

	2004	2005	2006	2007
<b>Governmental Activities</b>				
Invested in Capital Assets Net of Related Debt	\$ 151,374,388	\$ 183,288,852	\$ 183,861,002	\$ 181,289,769
Restricted	1,641,311	1,109,522	1,143,253	6,507,747
Unrestricted	5,633,822	7,566,682	10,808,910	8,448,512
<b>Total Governmental Activities</b>	<b>\$ 158,649,521</b>	<b>\$ 191,965,056</b>	<b>\$ 195,813,165</b>	<b>\$ 196,246,028</b>
<b>Business-type Activities</b>				
Invested in Capital Assets Net of Related Debt	\$ 46,225,747	\$ 66,551,245	\$ 62,525,345	\$ 67,709,537
Restricted	681,047	676,399	1,150,782	785,446
Unrestricted	8,415,453	5,103,093	9,517,702	6,085,709
<b>Total Business-type Activities</b>	<b>\$ 55,322,247</b>	<b>\$ 72,330,737</b>	<b>\$ 73,193,829</b>	<b>\$ 74,580,692</b>
<b>Total</b>				
Invested in Capital Assets Net of Related Debt	\$ 197,600,135	\$ 249,840,097	\$ 246,386,347	\$ 248,999,306
Restricted	2,322,358	1,785,921	2,294,035	7,293,193
Unrestricted	14,049,275	12,669,775	20,326,612	14,534,221
<b>Total Primary Government</b>	<b>\$ 213,971,768</b>	<b>\$ 264,295,793</b>	<b>\$ 269,006,994</b>	<b>\$ 270,826,720</b>

Data Source

Audited Financial Statements

Fiscal Year

2008	2009	2010	2011	2012
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\$ 185,504,246 \$ 179,027,466 \$ 176,607,596 \$ 175,520,012 \$ 177,068,931

5,615,510 6,281,547 7,376,272 7,503,441 2,266,916

6,286,051 7,633,118 7,055,416 8,606,808 15,271,626

\$ 197,405,807 \$ 192,942,131 \$ 191,039,284 \$ 191,630,261 \$ 194,607,473

\$ 74,099,851 \$ 73,436,233 \$ 63,883,643 \$ 60,837,070 \$ 57,848,186

804,588 406,000 920,000 817,000 1,523,000

2,254,481 4,727,611 5,027,550 7,274,331 8,938,628

\$ 77,158,920 \$ 78,569,844 \$ 69,831,193 \$ 68,928,401 \$ 68,309,814

\$ 259,604,097 \$ 252,463,699 \$ 240,491,239 \$ 236,357,082 \$ 234,917,117

6,420,098 6,687,547 8,296,272 8,320,441 3,789,916

8,540,532 12,360,729 12,082,966 15,881,139 24,210,254

\$ 274,564,727 \$ 271,511,975 \$ 260,870,477 \$ 260,558,662 \$ 262,917,287

**Village of Algonquin, Illinois**

**Change in Net Assets  
Last Nine Fiscal Years**

	2004	2005	2006	2007
<b>Expenses</b>				
Governmental Activities				
General Government	\$ 3,431,227	\$ 5,287,207	\$ 4,382,832	\$ 7,486,196
Public Safety	5,460,846	5,681,127	6,808,738	6,023,380
Public Works	5,710,739	7,383,989	7,655,372	7,567,852
Interest	364,595	359,523	428,104	440,111
Total Governmental Activities Expenses	14,967,407	18,711,846	19,275,046	21,517,539
Business-type Activities Water and Sewer	5,598,450	9,660,213	6,838,648	7,530,363
Total Business-type Activities Expenses	5,598,450	9,660,213	6,838,648	7,530,363
Total Primary Government Expenses	<u>\$ 20,565,857</u>	<u>\$ 28,372,059</u>	<u>\$ 26,113,694</u>	<u>\$ 29,047,902</u>
<b>Program Revenues</b>				
Governmental Activities				
Charges for Services				
General Government	\$ 1,361,652	\$ 2,041,643	\$ 1,510,482	\$ 1,523,407
Public Safety	890,323	853,227	645,748	610,043
Public Works	75,090	86,102	34,570	105,074
Operating Grants and Contributions	2,569,938	3,485,828	1,604,390	1,213,851
Capital Grants and Contributions	16,116,299	32,715,967	4,109,196	1,586,198
Total Governmental Activities Program Revenues	21,013,302	39,182,767	7,904,386	5,038,573
Business-type Activities				
Charges for Services				
Water and Sewer	5,933,858	8,026,313	7,273,018	5,665,128
Operating Grants and Contributions	1,108,796	499,280	3,200	1,090
Capital Grants and Contributions	5,864,326	17,961,942	179,541	-
Total Business-type Activities Program Revenues	12,906,980	26,487,535	7,455,759	5,666,218
Total Primary Government Program Revenues	<u>\$ 33,920,282</u>	<u>\$ 65,670,302</u>	<u>\$ 15,360,145</u>	<u>\$ 10,704,791</u>
Net (Expense) Revenue				
Governmental Activities	\$ 6,045,895	\$ 20,470,921	\$ (11,370,660)	\$ (16,478,966)
Business-type Activities	7,308,530	16,827,322	617,111	(1,864,145)
Total Primary Government Net (Expense) Revenue	<u>\$ 13,354,425</u>	<u>\$ 37,298,243</u>	<u>\$ (10,753,549)</u>	<u>\$ (18,343,111)</u>

Fiscal Year				
2008	2009	2010	2011	2012
\$ 4,378,364	\$ 4,618,093	\$ 4,511,797	\$ 4,538,951	\$ 4,742,261
6,987,936	7,686,244	7,924,602	8,086,707	8,267,862
9,844,829	16,991,574	12,154,994	8,930,380	8,872,523
378,502	408,053	395,572	344,884	345,353
21,589,631	29,703,964	24,986,965	21,900,922	22,227,999
7,600,797	8,708,844	16,311,087	8,578,470	8,551,752
7,600,797	8,708,844	16,311,087	8,578,470	8,551,752
\$ 29,190,428	\$ 38,412,808	\$ 41,298,052	\$ 30,479,392	\$ 30,779,751
\$ 1,266,281	\$ 1,416,942	\$ 732,201	\$ 718,779	\$ 883,440
715,082	745,832	1,223,423	977,767	1,003,544
78,279	42,130	21,704	14,989	26,448
1,156,090	1,017,003	971,168	1,191,828	1,278,892
1,487,548	3,807,774	1,579,772	368,995	1,783,794
4,703,280	7,029,681	4,528,268	3,272,358	4,976,118
5,602,144	5,624,824	5,201,422	5,450,665	5,596,381
54,641	34,040	37,071	54,112	112,067
465,381	959,913	-	-	-
6,122,166	6,618,777	5,238,493	5,504,777	5,708,448
\$ 10,825,446	\$ 13,648,458	\$ 9,766,761	\$ 8,777,135	\$ 10,684,566
\$ (16,886,351)	\$ (22,674,283)	\$ (20,458,697)	\$ (18,628,564)	\$ (17,251,881)
(1,478,631)	(2,090,067)	(11,072,594)	(3,073,693)	(2,843,304)
\$ (18,364,982)	\$ (24,764,350)	\$ (31,531,291)	\$ (21,702,257)	\$ (20,095,185)

(Continued)

**Village of Algonquin, Illinois**

**Change in Net Assets (Continued)  
Last Nine Fiscal Years**

	2004	2005	2006	2007
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental Activities				
Taxes				
Property	\$ 3,296,024	\$ 3,889,332	\$ 4,266,257	\$ 4,720,450
Sales	3,569,189	4,105,890	5,573,263	6,543,069
Income and Use	1,732,317	2,231,053	2,496,391	2,771,039
Utility	1,070,443	1,145,222	1,397,896	1,739,948
Other	1,135,522	1,219,739	1,124,126	512,757
Investment Earnings	126,958	158,115	325,513	615,840
Miscellaneous	(407,067)	95,263	35,323	8,726
<b>Total Governmental Activities</b>	<b>10,523,386</b>	<b>12,844,614</b>	<b>15,218,769</b>	<b>16,911,829</b>
Business-type Activities				
Sales	-	-	-	2,568,447
Investment Earnings	114,704	181,168	245,981	577,561
Miscellaneous	(250,395)	-	-	105,000
<b>Total Business-type Activities</b>	<b>(135,691)</b>	<b>181,168</b>	<b>245,981</b>	<b>3,251,008</b>
<b>Total Primary Government</b>	<b>\$ 10,387,695</b>	<b>\$ 13,025,782</b>	<b>\$ 15,464,750</b>	<b>\$ 20,162,837</b>
<b>Change in Net Assets</b>				
Governmental Activities	\$ 16,569,281	\$ 33,315,535	\$ 3,848,109	\$ 432,863
Business-type Activities	7,172,839	17,008,490	863,092	1,386,863
<b>Total Primary Government</b>				
<b>Change in Net Assets</b>	<b>\$ 23,742,120</b>	<b>\$ 50,324,025</b>	<b>\$ 4,711,201</b>	<b>\$ 1,819,726</b>

Data Source

Audited Financial Statements

Fiscal Year

	2008	2009	2010	2011	2012
\$	5,168,603	\$ 5,583,456	\$ 5,939,181	\$ 5,960,733	\$ 6,000,829
	6,510,307	6,848,007	7,550,234	8,030,266	8,630,053
	3,426,760	3,067,163	2,676,478	2,817,443	3,003,337
	1,023,062	1,014,164	947,168	1,015,552	963,634
	899,998	887,618	866,264	1,189,334	1,438,886
	601,941	342,425	215,056	192,446	177,276
	415,459	467,774	361,469	13,767	15,078
	<u>18,046,130</u>	<u>18,210,607</u>	<u>18,555,850</u>	<u>19,219,541</u>	<u>20,229,093</u>
	3,567,652	3,112,492	2,282,512	2,140,901	2,189,131
	230,995	79,999	51,431	30,000	35,586
	258,212	308,500	-	-	-
	<u>4,056,859</u>	<u>3,500,991</u>	<u>2,333,943</u>	<u>2,170,901</u>	<u>2,224,717</u>
\$	<u>22,102,989</u>	<u>\$ 21,711,598</u>	<u>\$ 20,889,793</u>	<u>\$ 21,390,442</u>	<u>\$ 22,453,810</u>
\$	1,159,779	\$ (4,463,676)	\$ (1,902,847)	\$ 590,977	\$ 2,977,212
	2,578,228	1,410,924	(8,738,651)	(902,792)	(618,587)
\$	<u>3,738,007</u>	<u>\$ (3,052,752)</u>	<u>\$ (10,641,498)</u>	<u>\$ (311,815)</u>	<u>\$ 2,358,625</u>

Village of Algonquin, Illinois

Fund Balances of Governmental Funds  
Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012**
<b>General Fund</b>										
Reserved	\$ 56,663	\$ 67,970	\$ 73,572	\$ 73,689	\$ 489,665	\$ 128,273	\$ 91,051	\$ 820,482	\$ 1,087,729	N/A
Designated	-	-	-	-	439,570	370,413	723,366	630,847	631,745	N/A
Unreserved	1,155,543	1,984,223	3,846,707	4,737,674	5,766,026	7,240,821	7,537,908	8,031,591	8,981,623	N/A
Nonspendable	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 104,327
Restricted	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-
Committed	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-
Assigned	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-
Unassigned	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	13,237,235
<b>Total General Fund</b>	<b>\$ 1,212,206</b>	<b>\$ 2,052,193</b>	<b>\$ 3,920,279</b>	<b>\$ 4,811,363</b>	<b>\$ 6,695,261</b>	<b>\$ 7,739,507</b>	<b>\$ 8,352,325</b>	<b>\$ 9,482,920</b>	<b>\$ 10,701,097</b>	<b>\$ 13,341,562</b>
<b>All Other Governmental Funds</b>										
Reserved	\$ -	\$ 2,135,363	\$ 1,570,213	\$ 4,505,881	\$ 6,095,826	\$ 5,580,401	\$ 6,191,767	\$ 6,633,759	\$ 6,506,815	N/A
Unreserved, reported in										
Special Revenue Funds	6,875,752	3,567,165	3,715,606	3,074,909	2,199,087	2,347,141	3,088,941	2,363,027	3,001,419	N/A
Capital Project Funds	2,719,338	31,162	(21,899)	63,877	74,556	80,778	127,264	129,144	130,320	N/A
Debt Service Funds	595,259	-	-	-	-	-	-	-	-	N/A
Nonspendable	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 225
Restricted	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2,266,916
Committed	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-
Assigned	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5,247,710
Unassigned	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(94,471)
<b>Total All Other Governmental Funds</b>	<b>\$ 10,190,349</b>	<b>\$ 5,733,690</b>	<b>\$ 5,263,920</b>	<b>\$ 7,644,667</b>	<b>\$ 8,369,469</b>	<b>\$ 8,008,320</b>	<b>\$ 9,407,972</b>	<b>\$ 9,125,930</b>	<b>\$ 9,638,554</b>	<b>\$ 7,420,380</b>

Data Source

Audited Financial Statements

\*\* Effective May 1, 2011, the Village adopted the provisions of Governmental Accounting Standards Board Statement No. 54 ("GASB 54"), *Fund Balance Reporting and Government Fund Type Definitions*. This statement establishes fund balance classifications of Nonspendable, Restricted, Committed, Assigned and Unassigned. Fund balances will not be classified as Reserved or Unreserved beginning in Fiscal Year 2012. In addition, this statement reclassified the Public Swimming Pool and the Special Revenue Funds balances to be included within the General Fund.

Village of Algonquin, Illinois

Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>										
Taxes	\$ 7,630,517	\$ 10,687,467	\$ 12,502,435	\$ 14,729,311	\$ 16,215,537	\$ 17,517,779	\$ 17,616,380	\$ 18,408,483	\$ 19,016,084	\$ 19,922,146
Licenses and Permits	1,081,629	711,050	1,564,632	1,111,868	798,701	716,764	934,656	339,520	358,788	397,652
Intergovernmental, Grants and Contributions	3,446,123	2,603,352	3,485,828	2,414,341	1,723,544	1,328,505	1,591,706	1,696,032	1,277,185	1,553,508
Charges for Services	902,084	811,630	557,327	480,582	815,555	696,065	520,417	463,882	301,319	338,722
Fines and Forfeitures	564,154	804,387	859,013	576,564	583,982	615,449	694,899	1,132,348	907,896	864,061
Investment Income	378,085	126,958	158,115	325,514	615,840	601,942	342,425	215,055	192,446	177,277
Miscellaneous	772,364	148,336	135,415	65,359	76,337	74,794	128,001	55,366	58,564	135,304
<b>Total Revenues</b>	<b>14,774,956</b>	<b>15,893,180</b>	<b>19,262,765</b>	<b>19,703,539</b>	<b>20,829,496</b>	<b>21,551,298</b>	<b>21,828,484</b>	<b>22,310,686</b>	<b>22,112,282</b>	<b>23,388,670</b>
<b>Expenditures</b>										
General Government	2,502,442	3,096,296	4,198,060	4,040,376	3,954,995	4,018,830	4,159,903	4,030,535	4,109,045	4,138,167
Public Safety	4,563,809	5,175,559	5,479,560	6,622,469	6,322,486	6,784,724	7,516,079	7,730,736	7,980,376	8,328,490
Highways and Streets	2,341,470	-	-	-	-	-	-	-	-	-
Public Works	-	3,181,664	4,479,163	3,978,291	4,531,800	6,609,056	5,101,332	6,098,858	6,064,344	5,685,056
Culture and Recreation	1,749,971	-	-	-	-	-	-	-	-	-
Miscellaneous	54,879	-	-	-	-	-	-	-	-	-
Capital Outlay	9,996,548	8,362,461	3,234,345	3,900,017	2,536,631	2,516,044	2,305,322	2,874,139	1,512,055	1,217,825
Debt Service										
Principal	365,000	385,000	463,181	504,547	543,317	597,355	451,600	465,000	500,000	3,420,695
Interest	297,446	271,768	261,888	296,134	331,567	307,192	281,778	262,865	187,454	176,146
<b>Total Expenditures</b>	<b>21,871,565</b>	<b>20,472,748</b>	<b>18,116,197</b>	<b>19,341,834</b>	<b>18,220,796</b>	<b>20,833,201</b>	<b>19,816,014</b>	<b>21,462,133</b>	<b>20,353,274</b>	<b>22,966,379</b>
Excess of Revenues over (under)										
Expenditures	(7,096,609)	(4,579,568)	1,146,568	361,705	2,608,700	718,097	2,012,470	848,553	1,759,008	422,291

(Continued)

Village of Algonquin, Illinois

Changes in Fund Balances of Governmental Funds (Continued)  
Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Other financing Sources (Uses)</b>										
Transfers In	\$ 1,348,251	\$ 560,319	\$ 562,909	\$ 574,104	\$ 617,081	\$ 1,050,798	\$ 669,376	\$ 678,098	\$ 852,355	\$ 820,000
Transfers Out	(1,184,790)	(560,319)	(562,909)	(574,104)	(617,081)	(1,085,798)	(669,376)	(678,098)	(852,355)	(820,000)
Proceeds from Capital Lease	-	-	250,000	-	-	-	-	-	-	-
Proceeds from bonds	-	-	-	2,935,000	-	-	-	-	-	-
Discount on general obligation bonds	-	-	-	(24,874)	-	-	-	-	-	-
Transfer to refunded bond escrow	-	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	36,107	1,748	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	163,461	36,107	251,748	2,910,126	-	(35,000)	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>\$ (6,933,148)</b>	<b>\$ (4,543,461)</b>	<b>\$ 1,398,316</b>	<b>\$ 3,271,831</b>	<b>\$ 2,608,700</b>	<b>\$ 683,097</b>	<b>\$ 2,012,470</b>	<b>\$ 848,553</b>	<b>\$ 1,759,008</b>	<b>\$ 422,291</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>5.58%</b>	<b>5.42%</b>	<b>4.87%</b>	<b>5.19%</b>	<b>5.58%</b>	<b>4.94%</b>	<b>4.19%</b>	<b>3.90%</b>	<b>3.74%</b>	<b>16.86%</b>

Data Source

Audited Financial Statements

Village of Algonquin, Illinois

Assessed Value and Actual Value of Taxable Property  
Last Ten Levy Years

Levy Year	Equalized Assessed Valuation					Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value	Commercial and Industrial		Residential	
	Residential Property	Commercial Property	Industrial Property	Other Property	Number of permits					Value (1)	Number of permits	Value (1)	
2002	\$ 577,484,565	\$ 70,582,133	\$ 8,270,997	\$ 1,968,247	\$ 658,305,942	0.4559	\$ 1,974,917,826	33.333%	34	\$ 31,848,464	473	\$ 70,479,780	
2003	654,009,810	82,214,307	8,849,966	1,998,214	747,072,297	0.4837	2,241,216,891	33.333%	38	38,050,439	243	34,117,797	
2004	713,442,229	108,993,553	9,917,640	2,083,909	834,437,331	0.4765	2,503,311,993	33.333%	29	29,507,013	286	44,028,568	
2005	797,460,690	136,704,248	10,954,984	1,971,828	947,091,750	0.4641	2,841,275,250	33.333%	19	18,264,861	288	42,870,238	
2006	862,594,920	163,022,809	11,455,468	1,918,372	1,038,991,569	0.4642	3,116,974,707	33.333%	20	41,819,250	113	20,806,545	
2007	919,421,895	179,848,425	14,279,170	2,341,302	1,115,890,792	0.4701	3,347,672,376	33.333%	10	17,450,000	22	6,504,500	
2008	945,636,052	192,038,216	15,042,082	2,357,036	1,155,073,386	0.4849	3,465,220,158	33.333%	10	23,298,000	15	5,344,348	
2009	936,696,159	204,128,666	14,380,217	2,386,354	1,157,591,396	0.4839	3,472,774,188	33.333%	3	1,771,968	3	1,125,170	
2010	860,584,473	199,171,411	15,301,720	2,563,069	1,077,620,673	0.5233	3,232,862,019	33.333%	2	2,316,784	2	1,244,433	
2011	777,644,853	186,100,950	14,937,997	2,596,949	981,280,749	0.5642	2,943,842,247	33.333%	1	5,136,364	-	-	

Data Source

Assessed Value, Tax Rate, Taxable Value: Office of the County Clerks and Township Assessors

Permits and Construction Value: Village of Algonquin Records

Note : Property is assessed at 33 1/3 % of actual value; property tax rates are per \$100 of assessed valuation.

Property is assessed on the following basis: McHenry Township - Annual; Dundee Township - Quadrennial (minimum)

Grafton Township - Quadrennial (minimum)

Value (1) - The Estimated construction cost is provided by the permit applicant

**Village of Algonquin, Illinois**

**Property Tax Rates - Direct and Overlapping Governments  
Last Ten Levy Years**

	Levy Years									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Village Direct Rates</b>										
General Corporate	\$ 0.4559	\$ 0.4837	\$ 0.4765	\$ 0.4641	\$ 0.4642	\$ 0.4701	\$ 0.4849	\$ 0.4839	\$ 0.5233	\$ 0.5642
<b>Overlapping Rates</b>										
Fire Districts (4)	2.1951	2.0966	2.1202	2.0788	2.1485	2.1066	2.1304	2.1466	2.3469	2.4758
Kane County	0.4292	0.3578	0.3467	0.3367	0.3452	0.3322	0.3336	0.3398	0.3730	0.3990
Kane County Forest Preserve	0.1395	0.1270	0.1432	0.1905	0.1747	0.1974	0.1932	0.1997	0.2201	0.2609
McHenry County	0.6725	0.7153	0.7346	0.7278	0.7060	0.6871	0.7014	0.7157	0.7927	0.8879
McHenry County Conservation	0.1734	0.1663	0.1580	0.1490	0.1425	0.1738	0.1732	0.1775	0.1956	0.2191
Park Districts (3)	0.6960	0.7603	0.7577	0.7313	0.7121	0.6862	0.6580	0.6959	0.8241	0.8665
Public Libraries (3)	0.7484	0.7199	0.7104	0.6675	0.8695	0.8456	0.8438	0.8693	0.9916	1.0266
Road & Bridge (3)	0.2769	0.2587	0.2439	0.2335	0.2281	0.2210	0.2237	0.2283	0.2552	0.2794
Schools (4)	9.1332	8.6983	8.9773	9.0626	8.7973	8.5327	8.4892	8.7353	9.9611	10.4509
Townships (3)	0.3217	0.3051	0.2899	0.2753	0.2411	0.2527	0.2522	0.2620	0.2984	0.3230

Data Source

Office of the County Clerk

Property tax rates are per \$100 of assessed valuation.

Village of Algonquin, Illinois

Principal Property Taxpayers  
Current Year and Seven Years Ago

Taxpayer	2011			2004*		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
In Retail Fund Algonquin Commons LLC	\$ 31,423,219	1	3.20%	\$ 4,092,499	3	0.49%
Rubloff Oakridge Algonquin LLC	8,807,033	2	0.90%	-	-	0.00%
Algonquin Penney LP	5,549,099	3	0.57%	-	-	0.00%
Wal-Mart Real Estate	5,102,354	4	0.52%	3,691,297	7	0.44%
Meijer Stores LTD Partnership	4,836,778	5	0.49%	5,184,463	2	0.62%
Target Corporation	4,314,412	6	0.44%	3,983,003	4	0.48%
LTF USA Real Estate LLC	3,823,658	7	0.39%	3,832,384	6	0.46%
Randall Holdings LLC	3,710,971	8	0.38%	-	-	0.00%
HD Development of MD Inc.	3,122,252	9	0.32%	3,092,940	8	0.37%
Jewel Food Stores Inc.	3,040,768	10	0.31%	-	-	0.00%
RPA Shopping Center Ph. 1 LLC	-		0.00%	3,050,000	9	0.37%
Woods creek Shopping Center	-		0.00%	7,752,396	1	0.93%
River Point Shopping Center	-		0.00%	3,966,659	5	0.48%
Algonquin Towne Center	-		0.00%	2,849,662	10	0.34%
	<u>\$ 73,730,544</u>		<u>7.51%</u>	<u>\$ 41,495,303</u>		<u>4.97%</u>

Office of the County Clerk

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

\* 2004 is the most recent information available.

**Village of Algonquin, Illinois**

**Property Tax Levies and Collections  
Last Ten Levy Years**

Levy Year	Tax Levy	Collected within the Fiscal Year after the Levy		Collected in Subsequent Fiscal Years	Total Collections	
		Amount	Percentage of Levy	Amount	Amount	Percentage of Levy
2002**	\$ 3,493,638	\$ 3,028,404	86.68%	\$ 2,889	\$ 3,031,293	86.77%
2003	3,609,918	3,608,407	99.96%	313	3,608,720	99.97%
2004*	3,971,334	3,967,157	99.89%	7,643	3,974,800	100.09%
2005	4,392,662	4,389,404	99.93%	1,672	4,391,076	99.96%
2006	4,829,500	4,824,833	99.90%	7	4,824,840	99.90%
2007*	5,242,000	5,241,867	100.00%	443	5,242,310	100.01%
2008	5,601,000	5,589,578	99.80%	184	5,589,762	99.80%
2009	5,601,000	5,596,725	99.92%	1,294	5,598,019	99.95%
2010*	5,601,000	5,622,139	100.38%	-	5,622,139	100.38%
2011	5,575,000	N/A	N/A	N/A	N/A	N/A

\*Collection rates exceeding 100% are attributed to the difference between the Tax Levy and the Tax Extension. This can occur when the corporate limits fall within two counties and each county calculates a different tax rate.

\*\*In the years prior to 2003, the county levy rate calculations could reduce extensions applicable to the Village. In 2003, the Village attained Home Rule status as a result of a special census, which exempted the Village from Tax Limit calculations and the PTELL Limitation Act. As a result, final tax extensions were lower than the original tax levy.

Data Source:

Office of the County Clerk

Note: Property is assessed at 33 1/3 % of actual value.

Property is assessed on the following basis: McHenry Township - Annual;

Dundee Township - Quadrennial (minimum); Grafton Township - Quadrennial (minimum)

Collections for most recent levy year are not available (N/A)

**Village of Algonquin, Illinois**

**Sales Tax Base and Number of Principal Payers**

**Taxable Sales by Category - 1% Sales Tax**

**Last Ten Calendar Years**

	Calendar Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Merchandise	\$ -	\$ 137,617	\$ 1,058,941	\$ 1,040,830	\$ 1,134,546	\$ 1,181,247	\$ 1,128,164	\$ 1,196,336	\$ 1,328,129	\$ 1,253,051
Food	1,175,490	1,355,084	541,265	494,863	668,337	792,506	903,485	987,441	957,066	989,997
Drinking and Eating Places	294,464	326,706	380,648	573,544	625,786	632,570	622,420	634,989	592,419	667,728
Apparel	-	7,293	125,721	490,072	549,577	575,270	509,925	455,968	519,440	685,012
Furniture & H.H. & Radio	26,155	43,667	119,671	423,118	629,713	727,475	639,712	528,320	510,346	491,866
Lumber, Building, Hardware	340,652	369,377	349,357	313,334	324,388	341,289	356,094	312,403	303,779	304,682
Automobile and Filling Stations	165,283	305,002	980,034	1,067,088	1,110,196	1,159,194	1,173,824	1,051,475	1,070,284	1,223,019
Drugs and Miscellaneous Retail	301,959	316,753	391,772	587,094	775,525	870,839	866,106	1,047,092	1,038,679	1,065,226
Agriculture and All Others	206,661	121,758	142,410	165,951	184,814	192,069	180,022	125,987	110,353	103,667
Manufacturers	99,685	129,754	141,810	135,846	116,495	126,597	109,840	103,914	83,071	117,709
<b>Total</b>	<b>\$ 2,618,726</b>	<b>\$ 3,308,709</b>	<b>\$ 4,057,929</b>	<b>\$ 5,291,741</b>	<b>\$ 6,144,349</b>	<b>\$ 6,599,056</b>	<b>\$ 6,504,882</b>	<b>\$ 6,455,352</b>	<b>\$ 6,525,655</b>	<b>\$ 6,948,585</b>
Total Number of Payers	700	674	770	906	944	989	825	801	766	1,128
Village direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Village home rule sales tax rate	0.00%	0.00%	0.00%	0.00%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%

Data Source

Illinois Department of Revenue

Note: Blank categories have less than 4 taxpayers, therefore no data is shown to protect the confidentiality of individual taxpayers; totals include censored data.

Home rule sales tax of .75% went into effect on July 1, 2006

**Village of Algonquin, Illinois**

**Direct and Overlapping Sales Tax Rates  
Last Ten Fiscal Years**

Fiscal Year	Village Direct Rate	State Rate
2003	1.00%	5.50%
2004	1.00%	5.50%
2005	1.00%	5.50%
2006	1.00%	5.50%
2007	1.75%	5.50%
2008	1.75%	5.50%
2009	1.75%	6.00%
2010	1.75%	6.00%
2011	1.75%	6.00%
2012	1.75%	6.00%

Data Source

Village and County Records

Note: Home rule sales tax of .75% went into effect on July 1, 2006

Village of Algonquin, Illinois

Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities		Business-Type Activities		Total Primary Government	Ratio of Total Outstanding Debt To Equalized Assessed Valuation*	Total Outstanding Debt Per Capita*
	General Obligation Bonds	Capital Leases	General Obligation Bonds	Revenue Bonds			
2003	\$ 7,807,243	\$ -	\$ 2,170,000	\$ 1,310,000	\$ 11,287,243	1.71%	\$ 404.78
2004	7,612,841	-	2,050,000	1,095,000	10,757,841	1.44%	363.44
2005	7,202,882	201,819	1,905,000	890,000	10,199,701	1.22%	334.75
2006	9,798,530	142,272	10,750,000	680,000	21,370,802	2.26%	684.74
2007	9,429,767	78,955	10,580,000	460,000	20,548,722	1.98%	658.40
2008	9,016,888	11,600	10,385,000	225,000	19,638,488	1.76%	644.27
2009	8,700,204	-	10,170,000	-	18,870,204	1.63%	619.06
2010	8,365,044	-	9,685,000	-	18,050,044	1.56%	592.15
2011	8,081,752	-	9,220,000	-	17,301,752	1.61%	575.84
2012	4,805,000	-	8,765,000	-	13,570,000	1.38%	451.64

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

\* See the Schedule of Demographic and Economic Statistics for equalized assessed valuation of property and population data. Personal income information is not available.

**Village of Algonquin, Illinois**

**Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds	Less: Amounts		Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita	
		Available In Debt Service Fund					
2003	\$ 9,977,243	\$ 595,259	\$	9,381,984	1.43%	\$ 336.45	1
2004	9,662,841	489,627		9,173,214	1.23%	309.91	3
2005	9,107,882	460,691		8,647,191	1.04%	283.84	3
2006	20,548,530	3,362,628		17,185,902	1.81%	550.65	3
2007	20,009,767	3,408,084		16,601,683	1.60%	518.80	3
2008	19,401,888	3,449,882		15,952,006	1.43%	523.33	1
2009	18,870,204	3,460,655		15,409,549	1.33%	505.53	1
2010	18,050,044	3,473,130		14,576,914	1.26%	478.21	1
2011	17,301,752	3,550,824		13,750,928	1.28%	457.66	2
2012	13,570,000	885,085		12,684,915	1.29%	422.18	2

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

\* See the Schedule of Assessed Value and estimated Actual Value of Taxable Property for property value data.

Per Capita:

1 - Special Census

2 - Federal Census

3 - Estimate

**Village of Algonquin, Illinois**

**Direct and Overlapping Governmental Activities Debt  
As of April 30, 2012**

Governmental unit	Gross Debt	Percentage Debt Applicable to the Village of Algonquin*	Village of Algonquin Share of Debt
Kane County	\$ 90,265,000	1.92%	\$ 1,733,088
McHenry County Conservation District	137,975,000	8.19%	11,300,153
Kane County Forest Preserve	204,470,866	1.92%	3,925,841
Dundee Township Park District	22,372,520	15.10%	3,378,251
Huntley Park District	14,633,000	9.28%	1,357,942
Dundee Township	9,980,000	15.11%	1,507,978
Algonquin Library	4,875,000	65.07%	3,172,163
Schools			
District No. 300	301,747,954	25.60%	77,247,476
District No. 158	69,098,757	9.65%	6,668,030
District No. 509	<u>161,667,482</u>	6.89%	<u>11,138,890</u>
Subtotal, overlapping debt	<u>1,017,085,579</u>		<u>121,429,810</u>
Village of Algonquin direct debt	<u>\$ 4,805,000</u>	100.00%	<u>\$ 4,805,000</u>
Total direct and overlapping debt	<u><u>\$ 1,021,890,579</u></u>		<u><u>\$ 126,234,810</u></u>

\* Determined by ratio of assessed valuation of property subject to taxation in the Village of Algonquin to valuation of property subject to taxation in overlapping unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Village. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Village of Algonquin. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

**Village of Algonquin, Illinois**

**Schedule of Legal Debt Margin**

**April 30, 2012**

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The Village is a home rule municipality.

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes governs computation of the legal debt margin.

"The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property...(2) if its population is more than 25,000 and less than 500,000 in aggregate of one percent:...indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts."

To date the General Assembly has set no limits for home rule municipalities.

**Village of Algonquin, Illinois**

**Pledged Revenue Coverage  
Last Ten Fiscal Years**

Water Revenue Bonds							
Fiscal Year	Water Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest		
2003	\$ 8,398,757	\$ 3,285,507	\$ 5,113,250	\$ 210,000	\$ 49,610	19.70	
2004	7,157,358	3,423,976	3,733,382	215,000	43,730	14.43	
2005	8,706,761	3,908,619	4,798,142	205,000	37,710	19.77	
2006	7,701,740	3,732,996	3,968,744	210,000	31,560	16.43	
2007	8,917,226	4,029,257	4,887,969	210,000	24,946	20.80	
2008	9,713,644	4,219,823	5,493,821	235,000	17,246	21.78	
2009	9,286,350	4,645,700	4,640,650	225,000	8,550	19.87	
2010	7,572,436	5,073,600	2,498,836	-	-	-	
2011	7,675,678	4,632,384	3,043,294	-	-	-	
2012	7,850,815	4,650,933	3,199,882	-	-	-	

Note: Details of the Village's outstanding debt can be found in the notes to the financial statements.  
 Water Charges and Other includes investment earnings but excludes sale of property and grants.  
 Operating expenses do not include debt service, depreciation or reserve requirements.

**Village of Algonquin, Illinois**

**Demographic and Economic Information  
Last Ten Fiscal Years**

Fiscal Year	Population		Equalized Assessed Value (EAV)		Per Capita EAV	Unemployment Rate
2002	26,955	(E)	\$ 658,305,942	\$	24,422	5.6%
2003	27,885	(A)	747,072,297		26,791	5.9%
2004	29,600	(E)	834,437,331		28,190	4.8%
2005	30,470	(E)	947,091,750		31,083	4.7%
2006	31,210	(E)	1,038,991,569		33,290	3.3%
2007	30,482	(A)	1,115,890,792		36,608	3.9%
2008	30,482	(E)	1,155,073,386		37,894	5.1%
2009	30,482	(E)	1,157,591,396		37,976	8.6%
2010	30,046	(A)	1,077,620,673		35,866	8.6%
2011	30,046	(E)	981,280,749		32,659	8.0%

(A) Actual  
(E) Estimate

Note: Personal Income data not available.

Information for 2012 not currently available.

Illinois Department of Employment Security. "Local Area Unemployment Statistics (LAUS)."  
LMI Source. August 19, 2010.

<http://lmi.ides.state.il.us/laus/townh2009.htm>

## Village of Algonquin, Illinois

### Principal Employers

#### Current Year and Nine Years Ago

Employer	2011			2001		
	Employees	Rank	% of Total Village Population	Employees	Rank	% of Total Village Population
School District Number 300*	368	1	2.42%	285	2	2.15%
Village of Algonquin	159	2	1.04%	132	5	1.00%
Kenmode Tool and Engineering, Inc.	135	3	0.89%	125	6	0.94%
Wauconda Tool and Engineering, Inc.	120	4	0.79%	30	12	0.23%
Meyer Material Co.	100	5	0.66%	100	8	0.76%
Duro-Life Corp.	62	6	0.41%	95	9	0.72%
Target Manufacturing Inc.	50	7	0.33%	-	-	0.00%
Coldwell Banker Primus	50	7	0.33%	-	-	0.00%
Algonquin State Bank	40	8	0.26%	50	10	0.38%
G.W. Thiel, Inc	30	9	0.20%	-	-	0.00%
Hanson Material Service Corp.	30	9	0.20%	-	-	0.00%
SubCon Mfg. Corp.	30	9	0.20%	-	-	0.00%
RE/MAX Unlimited Northwest	28	10	0.18%	-	-	0.00%
Schiffmayer Plastics Corp.	-	-	0.00%	200	3	1.51%
Marshall Wolf Automation, Inc	-	-	0.00%	360	1	2.72%
Crystal Die and Mold, Inc	-	-	0.00%	160	4	1.21%
Home Depot	-	-	0.00%	120	7	0.91%
Gregon Manufacturing	-	-	0.00%	40	11	0.30%

#### Note:

The Village of Algonquin changed the methodology for the valuation of full-time employees beginning with the April 30, 2009, Financial Statements due to a changing workforce.

Note: Information for 2012 not currently available. Data from 2003 was not available; data from 2001 used for comparison purposes.

#### Data Source

\* Only schools located in the Village of Algonquin

2012 Illinois Manufacturers Directory, 2012 Illinois Services Directory, the Village and a selective telephone survey  
 2001 Illinois Manufacturers Directory, 2001 Illinois Services Directory and a selective telephone survey  
 Spear Financial, April 16, 2012  
 Community Unit School District 300, April 16, 2012

Illinois Department of Employment Security . "Local Area Unemployment Statistics (LAUS)."  
 LMI Source. July 31, 2012.

<http://www.ides.illinois.gov/Custom/Library/Statistic/LAUS/AAD/townh2011.PDF>

**Village of Algonquin, Illinois**

**Full-Time Equivalent Employees  
Last Ten Fiscal Years**

Full-Time-Equivalent Employees as of April 30

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
Administration	15	15	16	17	18	18	22	20	19	19
Community Development	11	11	10	12	12	12	12	12	12	12
Public Safety										
Police										
Officers	41	41	42	46	46	49	50	49	49	49
Civilians	14	14	14	7	7	9	11	11	11	11
Public Works										
Public Works Administration	7	7	8	9	9	7	8	7	6	6
Streets Department	12	12	13	14	14	15	16	16	14	14
Parks	12	13	13	14	14	14	17	17	16	15
Internal Services	4	5	4	5	5	7	9	9	9	9
Water										
Water and Sewer	19	20	20	20	19	22	22	22	19	20
Pool	N/A	N/A	N/A	N/A	N/A	N/A	4	5	5	4
<b>Total</b>	<b>135</b>	<b>138</b>	<b>140</b>	<b>144</b>	<b>144</b>	<b>153</b>	<b>171</b>	<b>168</b>	<b>160</b>	<b>159</b>

Data Source

Village Finance Department

Note: Prior to FYE2009 valuing Pool employees full-time equivalence considered immaterial because most employees are part-time and all employees are seasonal for no more than three months.

The Village of Algonquin changed the methodology for the valuation of full-time employees beginning with the April 30, 2009 financial statements due to a changing workforce.

**Village of Algonquin, Illinois**

**Operating Indicators  
Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
Community Development										
Building permits issued	2,043	2,028	2,403	1,913	2,065	1,893	3,366	2,092	1,854	2,170
Building inspections conducted	9,800	9,911	12,414	9,463	6,517	4,290	5,720	4,036	2,756	4,096
Property maintenance inspections conducted	954	1,165	1,219	1,943	2,688	2,452	3,810	3,483	3,552	4,330
Public Safety										
Police										
Physical arrests	1,015	776	786	279	946	703	939	777	660	724
Parking violations	1,320	576	869	548	1,142	1,243	992	711	1,375	1,271
Traffic violations	9,237	5,940	6,075	2,057	6,394	6,684	6,611	4,524	4,311	4,818
Public Works										
Streets										
Street resurfacing (miles)	1.45	5.60	0.67	1.12	0.80	1.22	0.95	2.50	2.77	1.76
Potholes repaired	270	300	280	210	330	370	450	954	833	2,744
Parks and Recreation										
Park sites	18	19	20	20	21	22	22	22	22	22
Developed park acreage	234	247	251	251	253	155	155	155	155	155
Open space	197	273	273	273	273	512	512	512	512	512
Water										
New Connections (tap-ons)	296	365	440	400	400	21	20	5	5	-
Average daily consumption*	2,930	2,810	2,808	3,003	2,899	2,946	3,000	2,760	2,590	2,679
Peak daily consumption*	6,154	4,443	4,895	5,610	4,679	4,428	4,200	4,671	3,924	3,382
Wastewater										
Average daily sewage treatment*	2	3	3	3	3.2	3.0	3.5	3.1	3.0	2.9

\* (thousands of gallons)

\*\* (millions of gallons)

Data Source

Various Village departments

**Village of Algonquin, Illinois**

**Capital Asset Statistics  
Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Public Safety</b>										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Geographic Patrol Areas	5	5	5	6	6	6	6	6	6	6
<b>Public Works</b>										
Streets										
Streets (miles)	N/A	200	248	248	249	249	249	249	286	286
Streetlights	130	130	160	160	228	228	228	228	228	228
Parks and Recreation										
Acreage	431	520	524	524	526	647	667	667	667	667
Playgrounds	14	15	16	16	17	18	18	18	18	18
Sites with baseball diamonds	9	9	9	9	9	9	9	9	9	9
Sites with soccer fields	10	10	11	11	11	11	11	11	11	11
Sites with basketball courts	11	12	13	13	13	14	14	14	14	14
Sites with tennis courts	4	4	4	4	4	5	5	5	5	5
Water										
Water mains (miles)	102	130	150	160	168	168	159	159	170	165
Fire hydrants	1,573	1,650	2,050	2,180	2,200	2,207	2,049	2,153	2,176	2,208
Storage capacity*	2.640	2.640	2.640	3.390	3.390	3.390	3.390	3.390	3.390	3.390
Wastewater										
Sanitary sewers (miles)	99	112	127	135	135	135	134	136	140	138
Treatment capacity*	2.799	3.027	2.872	2.834	2.980	2.828	5.000	5.000	5.000	5.000

Data Source

Various Village departments

\* (thousands of gallons)