

# **Village of Algonquin, Illinois**

Comprehensive Annual Financial Report  
Year Ended April 30, 2007

# Village of Algonquin, Illinois

Comprehensive Annual Financial Report  
Year Ended April 30, 2007

Issued by the Finance Department

John R. Walde  
Finance Director

Susan Skillman  
Assistant Finance Director

## INTRODUCTORY SECTION

# Village of Algonquin, Illinois

## Comprehensive Annual Financial Report

Year Ended April 30, 2007

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Village of Algonquin, Illinois  
Principal Officials

April 30, 2007

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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

October 18, 2007

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, 2007, 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.

The Village's 2007 CAFR reflects the fourth year of implementing the Governmental Accounting Standards Board's (GASB) Statement 34 principles. GASB Statement 34 provides expanded reporting oversight for the Basic Financial Statements – Management Discussion and Analysis – for state and local governments, including infrastructure reporting. 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 & Pullen 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, 2007, 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, 2007, 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 27,885 as certified in the 2003 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:

General Services Administration initiated Phase 1 of a partial census which will be completed in the spring/summer of 2007. Current population information will allow the Village to better serve our citizens through more accurate reports of the number of people and where they live as well as increasing our revenues from state shared revenues based on population. The E-Pay transition was completed for water and sewer customers allowing electronic access to their water account information and the ability to make payments via credit card or electronic means. The Village began to increase the General Fund cash reserves from three months of operating expenses with a planned transition to six months. At the end of the fiscal year, the cash reserves had increased to 4.4 months of operating expenses which will improve the ability of the Village to withstand future downturns in the economy. The Village also initiated another cash reserve this fiscal year in the form of dedicated funds designed to smooth the periodic impact of purchasing high cost vehicles and equipment (other than squad cars). The initial funding was \$.25 million.

The Village also initiated a Building Services Division through the budgeting process for FY2008. This division will allow staff to establish routine maintenance procedures with appropriate staffing levels with the discipline of an approved budget

Future capital facilities and infrastructure improvements received a dedicated revenue source as the Village Board approved a Home Rule Sales Tax of .75% with the collections earmarked to fund capital improvement plans. The tax was implemented on July 1, 2006. Phase 6A expansion of the Wastewater Treatment Plant was begun this year. Completion is expected in FY08 with the treatment process increased from 3 MGD to 5 MGD. Water Treatment Plant #3 was brought on line which increased treatment capacity from 5.56 MGD to 8.56 MGD.

### **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 unemployment experience in the local economy continues to be better than that of the State and Country as indicated by unemployment rates of 3.3%, 4.5% and 4.6% respectively. The statewide economy has impacted Village finances as a major revenue source, state shared income tax, had experienced reductions in per capita distributions from levels achieved in 2000 and finally returned to the 2000 level in FY06. This year, there was an increase in the per capita distribution rate of 10.3%. However, the state has continued to be slow in distributing the allocations on a timely basis.

The major industry in the Village is retail sales as measured by the principal taxpayers list. State shared sales tax revenue is the Village's number one revenue source. Commercial growth in Algonquin continued with an increase of 19.3% in the assessed value of commercial property and the increase in shared sales tax collections was 14.1%.

### **Debt Administration**

As of April 30, 2007, the Village had eight outstanding debt issues, of which seven were general obligation bonds. There were no new bonds issued this year. Outstanding were \$20,009,767 for general obligation bonds and \$460,000 for revenue bonds. Continuing its practice, the Village abated \$1,229,605 of debt service attributable to four (4) of the general obligation bonds. Under current state statutes, the Village has no legal debt limit on general obligation debt.

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

Phase 6A construction of the Wastewater Treatment Plant continued using the proceeds of Bond Series 2005A. Series 2005B was also issued with proceeds escrowed and paying interest costs until 2012 when Series 2002B will be called and paid off. In another financial action, the Home Rule Sales Tax of .75% became effective July 1, 2006, with the collections used for infrastructure and capital purposes. Those funds together with existing revenues will 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, Road 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 (2005), Village Hall (1995) and Public Works Facility (2002), we have been able to follow the "pay as you go" financing policy for the past decade. The debt service for the 1995 and 2002 bonds is being financed via the use of sales tax revenues. Algonquin has been active in grant applications for park development with a large degree of success so that a significant portion of the cost is reimbursed from state funds. Water & Sewer expansion is significantly financed by developer construction as well as tap-on fees and annexation agreements.

### **Cash Management**

Cash temporarily idle during the year was invested in certificates of deposit, the Illinois Metropolitan Investment Fund (IMET) and the Illinois State Treasurer's pool (Illinois Funds). The maturities of the investments range from being immediately accessible (Illinois Funds), 90 days to one year (Certificates of Deposit), and 2 to 3 years (IMET). 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, 2007, were 8.1%.

### **Risk Management**

The Village continues to participate in McHenry County Municipal Risk Management Agency (MCMRMA) insurance risk pool to partially self-insure general liability, auto liability, worker's compensation, public officials, law enforcement and property. In addition, various control techniques, including employee accident prevention training, are utilized to minimize accident-related losses.

### **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, 2007, in funding 52.1% of the actuarial accrued liabilities. The actuarial valuation as reported in this report for FY2007, determined that the net contribution due from the Village is \$676,838. The Village's actuary determined that a one time adjustment to the net pension obligation was necessary in order to align actuarially required contributions with contributions made during the reporting period. The remaining unfunded amount is being systematically funded over 26 years as part of the annual required contribution calculated by the actuary.

the actuarial accrued liabilities. The actuarial valuation as reported in this report for FY2007, determined that the net contribution due from the Village is \$676,838. The Village's actuary determined that a one time adjustment to the net pension obligation was necessary in order to align actuarially required contributions with contributions made during the reporting period. The remaining unfunded amount is being systematically funded over 26 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, 2006. This was the third 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 2008 budget document. This was the fourth 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 2007 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.

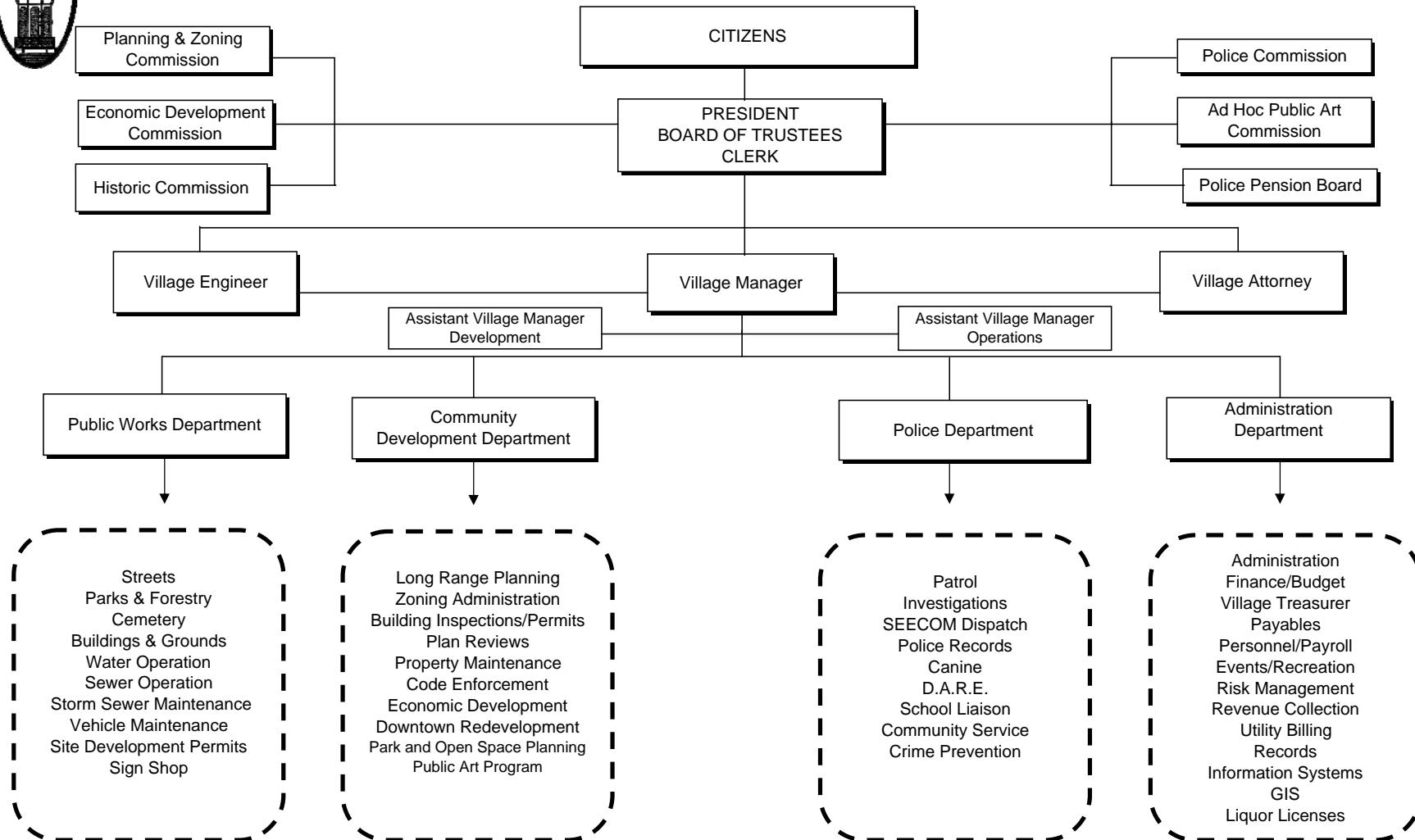
Respectfully submitted,



John R. Walde  
Finance Director

# VILLAGE OF ALGONQUIN

## 2007/2008 ORGANIZATIONAL 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, 2006

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.



President

Executive Director

## INDEPENDENT AUDITOR'S REPORT



# McGladrey & Pullen

Certified Public Accountants

## 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, 2007, 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, 2007, 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.

The required supplementary information which includes management's discussion and analysis (pages 3 – 13), budgetary comparison information (page 52) and pension related information (pages 53 and 54) is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Village of Algonquin Illinois. The combining and individual nonmajor fund financial statements and all schedules listed in the table of contents as supplemental data are presented for purposes of additional analysis, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*McGladrey & Pullen, LLP*

Schaumburg, Illinois  
October 18, 2007

VILLAGE OF ALGONQUIN, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
April 30, 2007

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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 Management's Discussion and Analysis (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 \$1.9 million (or 0.7%) during the fiscal year ending April 30, 2007 (FY07). The governmental net assets increased by \$.5 million (or 0.3% from FY06) and the business-type activities net assets increased by \$1.4 million (or .02% from FY06).
- The Village's total change of net assets compared to FY06 decreased by \$2.8 million with the general governmental activities change in net assets decreased by \$3.3 million and the business-type activities change in net assets increased by \$.5 million.
- The governmental activities revenue decreased by \$1.1 million (or 4.7%) due to a decrease in capital contributions. The expenses increased by \$2.2 million (or 10.2%).
- The business-type activities revenue increased by \$1.2 million (or 13.4%) due to an increase from home rule sales tax. The expenses increased by \$.7 million (or 9.3%).
- The total cost of all Village programs increased by \$2.9 million (or 10.0%).

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

The financial statement's 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.

The Governmental Activities reflect the Village's basic services, including public safety, public works, and general government. Shared state sales, home rule sales, 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 Fund (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 – ie. 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 life. 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 \$1.9 million from FY06 – increasing from \$269.0 million to \$270.9 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 \$.5 million from \$195.8 million to \$196.3 million. The business-type activities net assets increased by \$1.4 million from \$73.2 million to \$74.6 million. Table 1 reflects the condensed Statement of Net Assets compared to FY06. Table 2 will focus on the changes in net assets of the governmental and business-type activities.

Table 1  
Statement of Net Assets  
As of April 30, 2007 and 2006  
(in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$ 21.7	\$ 19.2	\$ 10.2	\$ 11.7	\$ 31.9	\$ 24.4
Capital assets	190.8	193.8	78.5	73.7	269.3	208.1
<b>Total assets</b>	<b>\$ 212.5</b>	<b>\$ 213.0</b>	<b>\$ 88.7</b>	<b>\$ 85.4</b>	<b>\$ 301.2</b>	<b>\$ 232.5</b>
Long-term liabilities	9.1	10.0	10.4	10.8	19.5	10.1
Other liabilities	7.1	7.2	3.7	1.4	10.8	8.4
<b>Total liabilities</b>	<b>\$ 16.2</b>	<b>\$ 17.2</b>	<b>\$ 14.1</b>	<b>\$ 12.2</b>	<b>\$ 30.3</b>	<b>\$ 18.5</b>
Net Assets:						
Invested in capital assets, net of debt	\$ 181.3	\$ 183.9	\$ 67.7	\$ 62.5	\$ 249.0	\$ 246.4
Restricted	6.5	1.1	0.8	1.2	7.3	2.3
Unrestricted	8.5	10.8	6.1	9.5	14.6	20.3
<b>Total net assets</b>	<b>\$ 196.3</b>	<b>\$ 195.8</b>	<b>\$ 74.6</b>	<b>\$ 73.2</b>	<b>\$ 270.9</b>	<b>\$ 269.0</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 \$1.9 million increase of combined net assets (which is the Village's bottom line) was the result of the governmental activities net assets increasing by \$.5 million and the business-type activities increasing by \$1.4 million.

The governmental activities total assets decreased by \$.5 million and the governmental activities total liabilities decreased \$1.0 million. The total assets decrease of \$.5 million was a result of an increase of \$2.5 million in current and other assets and a decrease of \$3.0 million of capital assets. Current assets increased \$1.6 million in cash and investments resulting from \$1.2 million in higher revenues due to strength in the state shared revenues of sales tax and income tax and \$.5 million in additional property taxes (assessed valuation in the Village increased by 10%). There was a 3% decrease, from 4% to 1%, in the natural gas utility tax charge which resulted in a decrease of \$.4 million. Capital assets decreased by \$3.1 million as the Village had a decrease of \$2.6 million in streets, storm and bridge improvements and a \$.6 decrease in land. There was an increase in construction in progress of \$1.4 million and a total increase of \$.7 million for buildings, vehicles and equipment and other improvements.

The decrease in total liabilities of \$1.0 million for the governmental activities was due mainly to decreases in G.O. bonds payable of \$.5 million and a reduction in pension obligation of \$.4 million.

The net assets of the business-type activities increased by \$1.4 million from \$73.2 to \$74.6 million. Total assets of the business-type activities increased by \$3.3 million from \$85.4 to \$88.7 million. The total assets increase of \$3.3 million was a result of a decrease in current assets of \$1.5 million and an increase in capital assets of \$4.8 million. Construction payments reduced current assets while increasing capital assets. The new home rule sales tax softened the reduction in current assets. The capital assets increase includes \$7.5 million for construction of the wastewater treatment plant expansion.

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Total liabilities of the business-type activities increased by \$1.9 million from \$12.2 million to \$14.2 million. Accounts payable increased \$2.4 million from FY06 due to the construction of the wastewater treatment plant. Long term liabilities decreased by \$.3 million due to the decrease of G.O. Bonds Payable for the wastewater treatment plant expansion.

### 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, 2007 and 2006**  
(in millions)

Revenue	Governmental Activities		Business-Type Activities		Total Primary Government	
	2007	2006	2007	2006	2007	2006
<b>Program Revenues</b>						
Charges for Service	\$ 2.3	\$ 2.2	\$ 5.6	\$ 7.3	\$ 7.9	\$ 9.5
Operating Grants/Contributions	1.2	1.6	-	-	1.2	1.6
Capital Grants/Contributions	1.6	4.1	-	0.2	1.6	4.3
<b>General Revenue</b>						
Property	4.7	4.3	-	-	4.7	4.3
Other taxes	11.2	10.2	2.6	-	13.8	10.2
Other	1.0	0.7	0.7	0.2	1.7	0.9
<b>Total Revenue</b>	<b>22.0</b>	<b>23.1</b>	<b>8.9</b>	<b>7.7</b>	<b>30.9</b>	<b>30.8</b>
<b>Expenses</b>						
Governmental Activities						
General Government	7.5	4.4	-	-	7.5	4.4
Public Safety	6.0	6.8	-	-	6.0	6.8
Public Works	7.6	7.7	-	-	7.6	7.7
Interest	0.4	0.4	-	-	0.4	0.4
Business Type						
Water and Sewer	-	-	7.5	6.8	7.5	6.8
<b>Total Expenses</b>	<b>21.5</b>	<b>19.3</b>	<b>7.5</b>	<b>6.8</b>	<b>29.0</b>	<b>26.1</b>
<b>Change in Net Assets</b>	<b>0.5</b>	<b>3.8</b>	<b>1.4</b>	<b>0.9</b>	<b>1.9</b>	<b>4.7</b>
<b>Net assets - beginning</b>	<b>195.8</b>	<b>192.0</b>	<b>73.2</b>	<b>72.3</b>	<b>269.0</b>	<b>264.3</b>
<b>Net assets - ending</b>	<b>\$ 196.3</b>	<b>\$ 195.8</b>	<b>\$ 74.6</b>	<b>\$ 73.2</b>	<b>\$ 270.9</b>	<b>\$ 269.0</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.

**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 61.4% 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 decreased \$1.1 million from \$23.1 million to \$22.0 million. The decrease was attributable to capital contributions which decreased by \$2.5 million from \$4.1 million to \$1.6 million as growth in residential development has declined from recent levels.

The Village has a diversified revenue structure and depends on several key revenue sources to help pay for the services provided. The Village increased its property tax collections by \$.5 million because the Village equalized



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assessed valuation increased 10% and the tax rate was stable. The Village attempts to maintain our property tax rate and capture new revenues from growth. The Village's property tax rate was .464 in 2005 and .465 in 2006.

State shared sales tax revenues increased \$.7 million (11.1%) as the Village continued to expand its economic base with additional retail store openings. The mid-year addition of a home rule sales tax increased revenues by \$.3 million. State shared income tax revenues increased \$.3 million due to a year-to-year increase of 10% in the State's per capita allocation to local government.

Building permits decreased by \$.3 million due, in part, to a 60% decrease in residential permits. A continued improved financial market caused investment income revenue to increase by \$.121 million from FY06 (\$.136 to \$.257). The Village investment strategy was unchanged.

Capital contributions decreased by \$2.5 million from \$4.1 million to \$1.6. Infrastructure assets contributed by development has declined due to the slow down of commercial and residential development.

**Expenses:**

The Village's governmental activities total expenses increased by \$2.2 million from \$19.3 to \$21.5 million (10.0%).

The Village's General Government function expenses increased \$3.1 million from \$4.4 to \$7.5 million. The significant increase was due to a \$2.6 million loss on the deletion of street and land capital assets.

Public Safety expenses decreased \$.8 million from \$6.8 to \$6.0 million as the Village is no longer a sponsor of the North Central Narcotics Task Force.

Public Works expenses had no material changes.

*Business-type Activities*

**Revenue:**

Total revenues for Business-type Activities decreased \$1.2 million from \$7.7 to \$8.9 million. Charges for services decreased \$1.7 million due to a 65% decrease in connection fees from \$2.6 million to \$.9 million. This decrease was attributable to the decrease in residential home permits and a slowing commercial development as well.

**Expenses:**

The Village's Business-type Activities expenses increased \$.7 million from \$6.8 to \$7.5 million. Water and sewer utility operating expenses increased by \$.3 million. Interest expense and fiscal agent fees increased by \$.4 million. Depreciation expense had no material change.

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*FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS*

**Governmental Funds**

At April 30, 2007, the governmental funds (as presented on the balance sheet on page 18) reported a combined fund balance of \$15.1 million or an increase of 17.3% from \$12.5 million at the beginning of the year. Of the total fund balance, \$8.5 million is unreserved indicating availability for continuing Village services. The net increase in the Fund Balance of Governmental Funds was primarily due to an increase of \$1.6 million in Cash and Investments and a \$.4 million increase in Property Tax Receivables.

***General Fund Budgetary Highlights***

At the end of the fiscal year the Village Board prepares a year-end budget adjustment in order to provide formal spending authority for activity that took place during the year that was not anticipated when the original budget document was prepared. Below is a table that reflects the original and revised 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 (52).

**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	\$ 14.210	\$ 14.240	\$ 14.325
Intergovernmental	0.140	0.160	0.275
Other	2.100	2.100	2.298
<b>Total</b>	<b>\$ 16.450</b>	<b>\$ 16.500</b>	<b>\$ 16.898</b>
Expenditures and Transfers			
Expenditures	\$ 15.335	\$ 15.385	\$ 14.404
Transfers	0.583	0.583	0.611
<b>Total</b>	<b>15.918</b>	<b>15.968</b>	<b>15.015</b>
<b>Change in Fund Balance</b>	<b>\$ 0.532</b>	<b>\$ 0.532</b>	<b>\$ 1.883</b>

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Actual General Corporate Fund revenues were \$.398 million more than the amended budget for 2007. Total charges for services exceeded the budget by \$.224 million and interest income exceeded the budget by \$.165 million. State shared income tax exceeded the budget by \$.198 million and sales tax revenues were \$.173 million less than the budget. Building permits were \$.139 less than the budget as permits were slightly below expectations.

Including a budget amendment of \$.052 million, actual General Corporate Fund expenditures and transfers were \$.954 million less than the Amended Budget. Administration expenditures were \$.870 less than budget mainly due to a Working Capital item of \$.750 million and Vehicle Replacement item of \$.250 million. The Working Capital item was intended to increase cash reserves and also serve as a buffer for possible shortfalls in the sales tax budget if the economy softened. The Vehicle Replacement was established as a way to create a cash reserve for large capital purchases in future years. Public Safety expenditures were \$.200 million less than budget due to a decrease in expenditures for contractual services throughout the year. The remaining difference involved several departments and line items.

### Capital Assets

At the end of Fiscal Year 2007, the Village had a combined total of capital assets of \$269.29 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 increase (including additions and deletions) of \$1.77 million.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2007	2006	2007	2006	2007	2006
Land	\$ 99.72	\$ 100.34	\$ 10.04	\$ 10.04	\$ 109.76	\$ 110.38
Construction in Progress	2.34	0.95	8.67	1.15	11.01	2.10
Buildings	13.46	13.76	11.89	12.17	25.35	25.93
Vehicles and Equipment	1.90	1.94	0.49	0.48	2.39	2.42
Improvements other than Building	6.47	6.33	-	-	6.47	6.33
Streets/Storm Sewers/ Bridges	66.85	70.48	-	-	66.85	70.48
Water and Sewer	-	-	47.46	49.88	47.46	49.88
<b>Total</b>	<b>\$ 190.74</b>	<b>\$ 193.80</b>	<b>\$ 78.55</b>	<b>\$ 73.72</b>	<b>\$ 269.29</b>	<b>\$ 267.52</b>

The following reconciliation summarizes the changes in Capital Assets which is presented in detail on pages 38 and 39 of the Notes.

VILLAGE OF ALGONQUIN, ILLINOIS  
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Table 5  
Change in Capital Assets  
(in millions)

	Governmental Activities	Business-Type Activities	Total
<b>Beginning Balance</b>	\$ 193.80	\$ 73.72	\$ 267.52
<b>Additions</b>			
Depreciable	2.25	0.22	2.47
Non-Depreciation	-	-	-
Construction in Progress	1.55	7.53	9.08
<b>Retirements</b>			
Depreciable	(4.16)	(0.09)	(4.25)
Non-Depreciation	(0.62)	-	(0.62)
Construction in Progress	(0.15)	-	(0.15)
Depreciation	(3.48)	(2.92)	(6.40)
Retirement	1.55	0.09	1.64
<b>Ending Balance</b>	\$ 190.74	\$ 78.55	\$ 269.29

The Governmental Activities net decrease of \$3.1 million in net Capital Assets was due to the reduction in streets and storm sewers of \$2.6 million and \$.6 million in right of way land. Increases were noted in construction in progress (\$1.4 million); other improvements (\$.6 million) and vehicles and equipment (\$.1 million). Business-type Activities increase of \$4.8 million was primarily from the construction of Village projects. The Village projects included a water treatment plant and wastewater treatment plant expansion as well as other minor additions.

### 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 the expansion of the Wastewater Treatment Plant which should assist in the "pay as you go" philosophy.

**VILLAGE OF ALGONQUIN, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
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The Village currently has seven general obligation bond series and one revenue bond series outstanding. A total of \$20.009 million of general obligation bonds and \$.460 million of revenue bonds were outstanding at April 30, 2007. Five of the bond series were issued to refund previous issues.

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

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

### **Economic Factors**

The Village continues to rely on sales tax and property taxes from commercial development as the state economy improves and the state is able to operate a balanced budget without impairing local governments. Continued growth in both of these areas is realistic as substantial increases have been noted in commercial EAV and new retail store openings continue. The financial condition of the State government has had a negative effect on the Village of Algonquin during the past few years but is finally improving. State shared revenues (state income tax and use tax) had been materially reduced from 2000 levels on a per-capita basis. State shared allocations have increased approximately 25% during the last two years. That said, state distributions to local government continue to be late. Current estimates, however, indicate that the 2008 per-capita allocations will continue to improve. The Village continues to apply for park grants, and has been very successful in receiving awards. However, grant assistance is extremely competitive. An area of concern is the local labor market. The local unemployment rate, which was 2.1% in 2000, was 3.3% in 2007 (down from 4.7% in 2006).

The local housing market, as demonstrated by home values, continues to be strong even though some markets are declining. Mortgage interest rates have been gradually increasing and new home construction is slowing. The Village's growth in sales tax revenues, EAV, and property tax receipts has been consistent in the past decade.

As previously mentioned, the Village attained Home Rule Community status based on the population of 27,885 reported in the 2003 Special Census. Among other things, the Village's property tax rates no longer have legal limits and the Village is no longer subject to the Tax Extension Limitation Act which limited the potential extensions from the tax levy requests beginning in 1991. This enables the Village to budget for a stable tax rate and capture tax revenues on new property.

### **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, 2007**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Current			
Cash and cash equivalents	\$ 8,741,818	\$ 4,594,774	\$ 13,336,592
Investments	4,991,205	2,900,000	7,891,205
Receivables			
Property taxes	4,831,368	-	4,831,368
Other taxes	2,410,018	-	2,410,018
Intergovernmental	305,258	-	305,258
Accounts	-	1,523,375	1,523,375
Accrued interest	50,643	32,516	83,159
Other	192,825	-	192,825
Inventory	95,101	-	95,101
Prepaid items	81,660	17,228	98,888
Restricted assets			
Cash and cash equivalents	-	2,748	2,748
Investments	-	1,098,000	1,098,000
Accrued interest receivable	-	19,146	19,146
<b>Total current assets</b>	<b>21,699,896</b>	<b>10,187,787</b>	<b>31,887,683</b>
Noncurrent			
Net pension asset	21,903	-	21,903
Capital assets (net of accumulated depreciation)			
Land	99,719,698	10,035,522	109,755,220
Construction in progress	2,342,627	8,675,808	11,018,435
Water and sewer system	-	47,457,054	47,457,054
Buildings	13,457,514	11,892,607	25,350,121
Improvements other than buildings	6,465,565	-	6,465,565
Vehicles and equipment	1,907,360	483,871	2,391,231
Streets/storm sewers/bridges	66,851,156	-	66,851,156
<b>Total capital assets (net)</b>	<b>190,743,920</b>	<b>78,544,862</b>	<b>269,288,782</b>
<b>Total noncurrent assets</b>	<b>190,765,823</b>	<b>78,544,862</b>	<b>269,310,685</b>
<b>Total assets</b>	<b>\$ 212,465,719</b>	<b>\$ 88,732,649</b>	<b>\$ 301,198,368</b>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Net Assets - Continued  
April 30, 2007

	Governmental Activities	Business-Type Activities	Total
<b>Liabilities</b>			
Current			
Accounts payable	\$ 805,636	\$ 3,170,902	\$ 3,976,538
Accrued interest	73,746	42,046	115,792
Unearned revenue - property tax	4,831,368	-	4,831,368
Unearned revenue - other	265,232	-	265,232
Other liabilities	766	-	766
Compensated absences	523,108	78,125	601,233
Capital lease	67,327	-	67,327
General obligation bonds payable	530,000	195,000	725,000
Revenue bonds payable	-	235,000	235,000
<b>Total current liabilities</b>	<b>7,097,183</b>	<b>3,721,073</b>	<b>10,818,256</b>
Noncurrent			
Compensated absences payable	265,684	25,559	291,243
Capital lease	11,628	-	11,628
General obligation bonds payable, net	8,845,196	10,211,837	19,057,033
Revenue bonds payable, net	-	193,488	193,488
<b>Total noncurrent liabilities</b>	<b>9,122,508</b>	<b>10,430,884</b>	<b>19,553,392</b>
<b>Total liabilities</b>	<b>16,219,691</b>	<b>14,151,957</b>	<b>30,371,648</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	181,289,769	67,709,537	248,999,306
Restricted for			
Donor programs	1,668,248	-	1,668,248
Cemetery purposes	222,335	-	222,335
Grant programs	1,154,956	-	1,154,956
Revenue bonds and debt service	3,408,084	785,446	4,193,530
Other	54,124	-	54,124
Unrestricted	8,448,512	6,085,709	14,534,221
<b>Total net assets</b>	<b>\$ 196,246,028</b>	<b>\$ 74,580,692</b>	<b>\$ 270,826,720</b>

See Notes to Financial Statements.



Village of Algonquin, Illinois

Statement of Activities  
Year Ended April 30, 2007

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 7,486,196	\$ 1,523,407	\$ 161,605	\$ 18,400
Public safety	6,023,380	610,043	117,358	-
Public works	7,567,852	105,074	934,888	1,567,798
Interest expense	440,111	-	-	-
<b>Total governmental activities</b>	<b>21,517,539</b>	<b>2,238,524</b>	<b>1,213,851</b>	<b>1,586,198</b>
Business-type activities				
Water and sewer	7,530,363	5,665,128	1,090	-
Total	<u>\$ 29,047,902</u>	<u>\$ 7,903,652</u>	<u>\$ 1,214,941</u>	<u>\$ 1,586,198</u>

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
\$ (5,782,784)	\$ -	\$ (5,782,784)
(5,295,979)	-	(5,295,979)
(4,960,092)	-	(4,960,092)
(440,111)	-	(440,111)
(16,478,966)	-	(16,478,966)
-	(1,864,145)	(1,864,145)
(16,478,966)	(1,864,145)	(18,343,111)
4,720,450	-	4,720,450
61,475	-	61,475
273,647	2,568,447	2,842,094
1,029,298	-	1,029,298
710,650	-	710,650
82,448	-	82,448
6,269,422	-	6,269,422
2,771,039	-	2,771,039
368,834	-	368,834
615,840	577,561	1,193,401
8,726	105,000	113,726
16,911,829	3,251,008	20,162,837
432,863	1,386,863	1,819,726
195,813,165	73,193,829	269,006,994
\$ 196,246,028	\$ 74,580,692	\$ 270,826,720

**Village of Algonquin, Illinois**

**Balance Sheet - Governmental Funds**  
**April 30, 2007**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 4,871,730	\$ 3,825,242	\$ 8,696,972
Investments	446,000	4,545,205	4,991,205
Receivables			
Property taxes	4,831,368	-	4,831,368
Other taxes	2,249,523	160,495	2,410,018
Intergovernmental	-	305,258	305,258
Accrued interest	5,853	44,790	50,643
Other	168,603	15,000	183,603
Prepaid items	77,744	-	77,744
Total assets	<u>\$ 12,650,821</u>	<u>\$ 8,895,990</u>	<u>\$ 21,546,811</u>
<b>Liabilities</b>			
Accounts payable	\$ 378,225	\$ 362,490	\$ 740,715
Deferred revenues - property tax	4,831,368	-	4,831,368
Deferred revenues - other	745,201	164,031	909,232
Other liabilities	766	-	766
Total liabilities	<u>5,955,560</u>	<u>526,521</u>	<u>6,482,081</u>
<b>Fund Balances</b>			
Reserved for			
Prepaid items	77,744	-	77,744
Donor programs	357,797	1,310,451	1,668,248
Cemetery acquisition and perpetual care	-	222,335	222,335
Grant programs	-	1,154,956	1,154,956
Debt service	-	3,408,084	3,408,084
Other	54,124	-	54,124
Unreserved - designated	439,570	-	439,570
Unreserved			
General fund	5,766,026	-	5,766,026
Special revenue funds	-	2,199,087	2,199,087
Capital projects funds	-	74,556	74,556
Total fund balances	<u>6,695,261</u>	<u>8,369,469</u>	<u>15,064,730</u>
Total liabilities and fund balances	<u>\$ 12,650,821</u>	<u>\$ 8,895,990</u>	<u>\$ 21,546,811</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, 2007**

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Total fund balances-governmental funds	\$ 15,064,730
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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.	190,743,920
--	-------------

Revenues in the Statement of Activities that do not provide current financial resources are deferred in the funds.	644,000
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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.	88,164
---	--------

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	(73,746)
Compensated absences	(788,792)
Unamortized bond issuance costs	33,251
Unamortized bond discount	21,320
Net pension asset	21,903
Capital lease	(78,955)
General obligation bonds payable	(9,429,767)

Net assets of governmental activities	<u>\$ 196,246,028</u>
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See Notes to Financial Statements.

**Village of Algonquin, Illinois**

**Statement of Revenues, Expenditures and Changes in Fund Balances –  
Governmental Funds  
Year Ended April 30, 2007**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Charges for services	\$ 675,560	\$ 139,995	\$ 815,555
Licenses and permits	798,701	-	798,701
Intergovernmental, grants and contributions	275,433	1,448,111	1,723,544
Fines, fees and forfeitures	529,982	54,000	583,982
Property taxes	4,720,450	-	4,720,450
Other taxes	9,604,925	1,890,162	11,495,087
Interest	257,336	358,504	615,840
Miscellaneous	36,106	40,231	76,337
Total revenues	16,898,493	3,931,003	20,829,496
Expenditures			
Current			
General government	3,446,478	508,517	3,954,995
Public safety	6,322,486	-	6,322,486
Public works	4,000,026	531,774	4,531,800
Debt service			
Principal	168,317	375,000	543,317
Interest and fiscal charges	15,769	315,798	331,567
Capital outlay	450,438	2,086,193	2,536,631
Total expenditures	14,403,514	3,817,282	18,220,796
Excess of revenues over expenditures	2,494,979	113,721	2,608,700
Other financing sources (uses)			
Transfers in	3,000	614,081	617,081
Transfers out	(614,081)	(3,000)	(617,081)
Total other financing sources (uses)	(611,081)	611,081	-
Net change in fund balances	1,883,898	724,802	2,608,700
Fund balances - beginning	4,811,363	7,644,667	12,456,030
Fund balances - ending	\$ 6,695,261	\$ 8,369,469	\$ 15,064,730

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, 2007

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Net change in fund balances-total governmental funds	\$ 2,608,700
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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 outlays in the current period. (\$2,536,631 current additions less \$3,475,999 depreciation.)

	(939,368)
--	-----------

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	66,207
Contributions of capital assets	1,082,026

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. These transaction however, have no effect on net assets.

Repayment of principal on bonds and capital leases	543,317
--	---------

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 net pension asset	389,901
Increase in compensated absences	(4,285)
Loss on sales of capital assets	(3,200,542)
Increase in accrued interest	2,693
Interest accreted on capital appreciation debt	(111,237)
Amortization of bond discount and issuance costs	(4,549)

Change in net assets of governmental activities	<u>\$ 432,863</u>
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See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Net Assets - Proprietary Funds

April 30, 2007

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service Fund
<b>Assets</b>		
Current		
Cash and cash equivalents	\$ 4,594,774	\$ 44,846
Investments	2,900,000	-
Receivables		
Accounts	1,523,375	9,222
Interest	32,516	-
Inventory	-	95,101
Prepaid items	17,228	3,916
Restricted assets		
Cash and cash equivalents	2,748	-
Investments	1,098,000	-
Accrued interest	19,146	-
<b>Total current assets</b>	<b>10,187,787</b>	<b>153,085</b>
Capital assets (net of accumulated depreciation)		
Land	10,035,522	-
Construction in progress	8,675,808	-
Water and sewer system	47,457,054	-
Buildings	11,892,607	-
Machinery and equipment	483,871	-
<b>Total noncurrent assets</b>	<b>78,544,862</b>	<b>-</b>
<b>Total assets</b>	<b>\$ 88,732,649</b>	<b>\$ 153,085</b>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Net Assets - Proprietary Funds - Continued  
April 30, 2007

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service Fund
<b>Liabilities</b>		
Current		
Accounts payable	\$ 3,170,902	\$ 64,921
Accrued interest	42,046	-
Compensated absences	78,125	-
General obligation bonds payable	195,000	-
Revenue bonds payable	235,000	-
<b>Total current liabilities</b>	<b>3,721,073</b>	<b>64,921</b>
Noncurrent		
Compensated absences payable	25,559	-
General obligation bonds payable	10,211,837	-
Revenue bonds payable	193,488	-
<b>Total noncurrent liabilities</b>	<b>10,430,884</b>	<b>-</b>
Total liabilities	<b>14,151,957</b>	<b>64,921</b>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	67,709,537	-
Restricted - revenue bond covenants	785,446	-
Unrestricted	6,085,709	88,164
Total net assets	<b>\$ 74,580,692</b>	<b>\$ 88,164</b>

See Notes to Financial Statements.



Village of Algonquin, Illinois

Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Fund  
Year Ended April 30, 2007

	Business-Type Activities Waterworks and Sewerage Fund	Governmental Activities Internal Service Fund
Operating revenues		
Charges for services		
Water and sewer revenue	\$ 4,547,499	\$ -
Meter sales	90,993	-
Connection fees	903,888	-
Home rule sales tax	2,568,447	-
Administration fee	67,967	-
Vehicle maintenance billings	-	1,011,087
Miscellaneous	54,781	-
Total operating revenues	8,233,575	1,011,087
Operating expenses excluding depreciation	4,029,257	1,011,087
Operating income before depreciation	4,204,318	-
Depreciation	2,922,611	-
Operating income	1,281,707	-
Nonoperating revenues (expenses)		
Insurance proceeds	105,000	-
Contributions - developers	1,090	-
Interest income	577,561	-
Interest expense and fiscal agent fees	(578,495)	-
Total nonoperating revenues (expenses)	105,156	-
Change in net assets	1,386,863	-
Net assets - beginning	73,193,829	88,164
Net assets - ending	\$ 74,580,692	\$ 88,164

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Cash Flows – Proprietary Funds  
Year Ended April 30, 2007

	Business-Type Activities Waterworks and Sewerage Fund	Governmental Activities Internal Service Fund
Cash flows from operating activities		
Cash received from customers	\$ 7,357,867	\$ -
Cash paid to suppliers	(224,936)	(661,304)
Cash paid to employees	(1,947,496)	(341,399)
Cash received for interfund services provided	-	1,005,253
Net cash provided by operating activities	5,185,435	2,550
Cash flows from noncapital financing activities		
Insurance proceeds	105,000	-
Developer contributions	1,090	-
Net cash flows from noncapital financing activities	106,090	-
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(7,223,259)	-
Interest paid on bonds	(597,323)	-
Principal paid on general obligation bond maturities	(170,000)	-
Principal paid on revenue bond maturities	(220,000)	-
Net cash flows from capital and related financing activities	(8,210,582)	-
Cash flows from investing activities		
Purchase of investments (certificates of deposit)	(3,998,000)	-
Sale of investments (certificates of deposit)	4,499,000	-
Interest on investments	530,386	-
Net cash flows from investing activities	1,031,386	-
Net increase (decrease) in cash and equivalents	(1,887,671)	2,550
Cash and equivalents - beginning	6,485,193	42,296
Cash and equivalents - ending	\$ 4,597,522	\$ 44,846
Reported as:		
Cash and cash equivalents	\$ 4,594,774	\$ 44,846
Restricted cash and cash equivalents	2,748	-
	\$ 4,597,522	\$ 44,846

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Cash Flows – Proprietary Funds - Continued  
Year Ended April 30, 2007

	Business-Type Activities Waterworks and Sewerage Fund	Governmental Activities Internal Service Fund
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 1,281,707	\$ -
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	2,922,611	-
Amortization	31,097	-
Loss on sale of capital assets	10,359	-
Changes in assets and liabilities		
Accounts receivable	(875,708)	(5,834)
Prepaid items	4,940	599
Inventory	-	9,352
Accounts payable	1,818,733	(1,567)
Compensated absences	(8,304)	-
Total adjustments	3,903,728	2,550
Net cash provided by operating activities	\$ 5,185,435	\$ 2,550

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Fiduciary Net Assets

April 30, 2007

	Pension Trust Fund	Agency Fund
<hr/>		
<b>Assets</b>		
Cash and cash equivalents	\$ 125,176	\$ 757,300
Investments		
U.S. government securities	2,561,923	-
U.S. government agencies	1,668,975	-
Mutual funds	3,364,498	-
Money market funds	326,306	-
Interest receivable	39,999	-
	<hr/>	
<b>Total assets</b>	8,086,877	757,300
 <b>Liabilities</b>		
Deposits	-	757,300
	<hr/>	
<b>Net Assets</b>		
Held in trust for pension benefits	\$ 8,086,877	\$ -
	<hr/>	

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Changes in Fiduciary Net Assets - Pension Trust Fund  
Year Ended April 30, 2007

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Additions	
Contributions	
Employer	\$ 490,085
Employee	312,957
	<u>803,042</u>
Investment income	
Net appreciation in fair value of investments	445,341
Interest income	178,494
Less investment expenses	(41,737)
	<u>582,098</u>
<b>Total additions</b>	<u>1,385,140</u>
Deductions	
Administration	11,507
Pension benefits and refunds	133,234
<b>Total deductions</b>	<u>144,741</u>
<b>Change in net assets</b>	1,240,399
Net assets - beginning	<u>6,846,478</u>
Net assets - ending	<u><u>\$ 8,086,877</u></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. 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 fund - General 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.

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 one internal service fund:

**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.

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.

##### (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. Nonexchange 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.

## 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 (Continued)

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 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.



**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.

**(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.

**(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, streets, storm sewers, bridges, water and sewer system, improvements other than building, machinery and equipment, and buildings 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 of more than \$10,000, 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	2 - 10
Water and sewer system	20 - 40
Improvements other than buildings	15 - 50

Gains or losses from sales or retirements of capital assets are included in the operations on the Statement of Activities.

##### (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 effective interest 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 Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally segregated for a specific purpose.

##### (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.

#### 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.

## Village of Algonquin, Illinois

### Notes to Financial Statements

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#### Note 2. Stewardship, Compliance and Accountability (Continued)

##### Budgetary Information (Continued)

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.

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 are budgeted.

#### 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 110% 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, 2007, 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, 2007, the Village had the following investments and maturities. (Amounts are in thousands.)

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	6 - 10	Greater than 10
U.S. Government	\$ 5,431,131	\$ 923,239	\$ 3,315,731	\$ 932,725	\$ 259,436
U.S. Agency Securities	1,668,975	1,420,294	248,283	398	-
Mutual Funds - fixed income*	19,502	19,502	-	-	-
Illinois Funds*	99,678	99,678	-	-	-
Total investments	<u>\$ 7,219,286</u>	<u>\$ 2,462,713</u>	<u>\$ 3,564,014</u>	<u>\$ 933,123</u>	<u>\$ 259,436</u>

\* 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, 2007, the Village's investments were rated as follows:

Investment Type	Standard & Poors
U.S. Agency Securities	AAA
Mutual Funds - fixed income	Not Rated
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 10% 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 Funds 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 and Police Pension Fund were not exposed to concentration of credit risk as of April 30, 2007.

##### *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 Fund's share price, which is the price the investment could be sold for.

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
Government activities:				
Capital assets not being depreciated:				
Land	\$ 100,339,298	\$ -	\$ 619,600	\$ 99,719,698
Construction in progress	946,643	1,552,751	156,767	2,342,627
Total capital assets not being depreciated	101,285,941	1,552,751	776,367	102,062,325
Capital assets being depreciated:				
Buildings	15,965,835	10,738	-	15,976,573
Improvements other than buildings	8,336,741	571,307	-	8,908,048
Vehicles and equipment	5,106,833	477,990	360,564	5,224,259
Streets/storm sewers/bridges	92,781,758	1,190,191	3,802,112	90,169,837
	122,191,167	2,250,226	4,162,676	120,278,717
Less accumulated depreciation for:				
Buildings	2,200,051	319,008	-	2,519,059
Improvements other than buildings	1,998,743	443,740	-	2,442,483
Vehicles and equipment	3,171,317	480,328	334,746	3,316,899
Streets/storm sewers/bridges	22,305,193	2,232,923	1,219,435	23,318,681
	29,675,304	3,475,999	1,554,181	31,597,122
Total capital assets being depreciated, net	92,515,863	(1,225,773)	2,608,495	88,681,595
Governmental activities capital assets, net	\$ 193,801,804	\$ 326,978	\$ 3,384,862	\$ 190,743,920

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	\$ 10,035,522	\$ -	\$ -	\$ 10,035,522
Construction in progress	1,150,848	7,524,960	-	8,675,808
Total capital assets not being depreciated	11,186,370	7,524,960	-	18,711,330
Capital assets being depreciated:				
Buildings	13,937,306	-	-	13,937,306
Machinery and equipment	1,270,160	137,721	92,606	1,315,275
Water and sewer system	72,622,716	85,219	-	72,707,935
	87,830,182	222,940	92,606	87,960,516
Less accumulated depreciation for:				
Buildings	1,765,953	278,746	-	2,044,699
Machinery and equipment	791,980	132,030	92,606	831,404
Water and sewer system	22,739,046	2,511,835	-	25,250,881
	25,296,979	2,922,611	92,606	28,126,984
Total capital assets being depreciated, net	62,533,203	(2,699,671)	-	59,833,532
Business-type activities capital assets, net	\$ 73,719,573	\$ 4,825,289	\$ -	\$ 78,544,862

(c) Depreciation Charged to Functions/Activities

Depreciation was charged to functions/activities as follows:

	Governmental Activities	Business-Type Activities
General government	\$ 342,852	\$ -
Public safety	109,140	-
Public works	3,024,007	-
Water and sewer	-	2,922,611
	\$ 3,475,999	\$ 2,922,611



# Village of Algonquin, Illinois

## Notes to Financial Statements

### 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, 2007:

	Balance May 1, 2006	Additions	Retirements	Balance April 30, 2007	Due Within One Year
Compensated Absences Payable	\$ 784,507	\$ 831,357	\$ 827,072	\$ 788,792	\$ 523,108
General Obligation Bonds Payable*	9,798,530	111,237	480,000	9,429,767	530,000
Capital Lease	142,272	-	63,317	78,955	67,327
	<u>\$ 10,725,309</u>	<u>\$ 942,594</u>	<u>\$ 1,370,389</u>	<u>\$ 10,297,514</u>	<u>\$ 1,120,435</u>

\* Amount reported in the statement of net assets for governmental activities, is net of an unamortized discount of \$54,571.

The following is a summary of long-term obligation activity associated with business-type activities for the year ended April 30, 2007:

	Balance May 1, 2006	Additions	Retirements	Balance April 30, 2007	Due Within One Year
Compensated Absences Payable	\$ 111,988	\$ 160,376	\$ 168,680	\$ 103,684	\$ 78,125
General Obligations Bonds Payable **	10,750,000	-	170,000	10,580,000	195,000
Revenue Bonds Payable **	680,000	-	220,000	460,000	235,000
	<u>\$ 11,541,988</u>	<u>\$ 160,376</u>	<u>\$ 558,680</u>	<u>\$ 11,143,684</u>	<u>\$ 508,125</u>

\*\* Amounts reported in the statement of net assets for the business-type activities, are net of unamortized discounts of \$173,163 and \$31,512, for the general obligation and revenue bonds, respectively.

The following is a summary of debt transactions of the Village for the year ended April 30, 2007:

*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.

*Capital Lease.* The Village acquired various vehicles under a capital lease.

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

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>Governmental Activities:</b>					
<b>General Obligation Bonds -</b>					
General Obligation Bonds, Series 1998 \$765,000 Refunding Bonds due in annual installments of \$50,000 to \$120,000; interest at 3.5% to 3.8%, through December 30, 2007	General	\$ 225,000	\$ -	\$ 105,000	\$ 120,000
General Obligation Refunding Series 2001B \$1,910,000 Alternate Revenue Source Bonds due in annual installments of \$25,000 to \$390,000; interest at 3.0% to 4.75%, through April 1, 2010	Debt Service	1,445,000	-	360,000	1,085,000
General Obligation Refunding Series 2002A \$3,090,000 Alternate Revenue Source Bonds due in annual installments of \$15,000 to \$650,000; interest at 4.0% to 4.6%, through April 1, 2015	Debt Service	3,090,000	-	15,000	3,075,000
General Obligation Capital Appreciation Bonds Series 2002 B \$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	2,103,530	111,237 *	-	2,214,767
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
<b>Total General Obligation Bonds - Governmental Activities</b>		<b>\$ 9,798,530</b>	<b>\$ 111,237</b>	<b>\$ 480,000</b>	<b>\$ 9,429,767</b>
* Principal accretion on capital appreciation bonds					
<b>Capital Lease -</b>					
Home State Bank capital lease \$250,000 capital lease for 4 squad cars, dump truck and Ford F350 Due in monthly payments of \$5,859, including interest at 6.0%, through July 1, 2008	General	\$ 142,272	\$ -	\$ 63,317	\$ 78,955

# 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 Refunding Series 2001A \$2,335,000 Alternate Revenue Source Bonds due in annual installments of \$40,000 to \$460,000; interest at 3.0% to 4.5%, through April 1, 2012	Waterworks and Sewerage	\$ 1,750,000	\$ -	\$ 170,000	\$ 1,580,000
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.	Debt Service	9,000,000	-	-	9,000,000
Total General Obligation Bonds - Business type Activities		10,750,000	-	170,000	10,580,000
<b>Revenue Bonds - Business-type Activities</b>					
Revenue Bonds Series 2002 \$1,560,000 Waterworks and Sewerage Bonds due in annual installments of \$170,000 to \$250,000; interest at 2.8% to 3.8%, through April 1, 2009	Waterworks and Sewerage	\$ 680,000	\$ -	\$ 220,000	\$ 460,000
Total Bonds - Business-type Activities		\$ 11,430,000	\$ -	\$ 390,000	\$ 11,040,000

As of April 30, 2007, debt service requirements to maturity on the outstanding general obligation bonds, including interest, are as follows:

Year Ending April 30	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2008	\$ 530,000	\$ 302,870	\$ 832,870	\$ 195,000	\$ 427,642	\$ 622,642
2009	440,000	280,644	720,644	215,000	419,332	634,332
2010	465,000	261,580	726,580	485,000	410,142	895,142
2011	500,000	241,412	741,412	455,000	389,082	844,082
2012	535,000	220,162	755,162	465,000	369,386	834,386
2013 - 2017	3,729,949	1,236,501	4,966,450	2,750,000	1,541,050	4,291,050
2018 - 2022	3,229,818	1,403,384	4,633,202	3,490,000	949,945	4,439,945
2023 - 2025	-	-	-	2,525,000	211,038	2,736,038
Total	\$ 9,429,767	\$ 3,946,553	\$ 13,376,320	\$ 10,580,000	\$ 4,717,617	\$ 15,297,617

## Village of Algonquin, Illinois

### Notes to Financial Statements

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

As of April 30, 2007, debt service requirements to maturity on the outstanding capital lease, including interest, are as follows:

Year Ending April 30	Governmental Activities		
	Principal	Interest	Total
2008	\$ 67,327	\$ 2,981	\$ 70,308
2009	11,628	90	11,718
Total	\$ 78,955	\$ 3,071	\$ 82,026

As of April 30, 2007, debt service requirements to maturity on the outstanding revenue bond debt, including interest, are as follows:

Year Ending April 30	Business-Type Activities		
	Principal	Interest	Total
2008	\$ 235,000	\$ 17,246	\$ 252,246
2009	225,000	8,550	233,550
Total	\$ 460,000	\$ 25,796	\$ 485,796

#### 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 in SLGS 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) will be used to call the 2002B bonds (the old bonds). At this time the liability for the 2002B bonds will be fully and legally liquidated. This will exhaust 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).

## Village of Algonquin, Illinois

### Notes to Financial Statements

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

##### Refunding Transactions (Continued)

In prior years, the Village defeased certain obligations by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. The assets and the liabilities for the defeased bonds are not included in the Village's basic financial statements. The balance outstanding of the defeased debt is as follows:

Issue	Balance Outstanding
Algonquin/Randall Corridor Business Development Obligations, Series 1995	\$ 770,000

#### Note 6. Waterworks and Sewerage Fund – Restricted Accounts

The ordinance authorizing the issuance of the Water Revenue bonds provided for the creation of separate accounts designated as "Operation and Maintenance Account," "Bond and Interest Account," "Surplus Account," "Bond Reserve Account," and "Depreciation Improvements and Extension Account," into which accounts there shall be credited as of the first day of each month, except as hereinafter provided for the bond redemption account and improvement and extension account, all revenues of the system in accordance with the following priority:

*Operation and Maintenance Account* - an amount sufficient to cover the estimated operating and maintenance expense of the water supply and distribution system for the current month.

*Bond and Interest Account* - a fractional amount of the interest becoming due on the next succeeding interest date on all outstanding bonds and also a fractional amount of the principal becoming due on the next succeeding principal maturity date. All funds in this account shall be used only for payment of interest and principal of outstanding bonds.

*Bond Reserve Account* - the sum of \$4,000 each month until such account aggregates the maximum annual debt service. Funds accumulated shall be used for principal and interest payments, should the amount available in the Bond and Interest Account be insufficient to meet the payments when due.

*Depreciation, Improvements and Extension Accounts* - an amount of \$2,000 each month until such account aggregates, at least, the sum of \$150,000. Funds accumulated shall be used for necessary repairs and replacements to the system and for the payment of bond principal and interest, should the amount available in the Bond and Interest Account be insufficient to meet the payments when due.

Net assets in the amount of \$785,446 are restricted as required by revenue bond ordinances at April 30, 2007.

# Village of Algonquin, Illinois

## Notes to Financial Statements

### Note 7. Interfund Transfers

Individual interfund transfers for the Village at April 30, 2007 are shown as follows:

Fund		Transfers From Other Funds
Detail		
General Fund		
Nonmajor Governmental Funds	Administration fees	\$ 3,000
Debt Service Fund		
General Fund	Debt service	574,000
Nonmajor Governmental Funds		
General Fund	Administration fees	40,081
Total		<u>\$ 617,081</u>
Fund		Transfers to Other Funds
Detail		
General Fund		
Debt Service Fund	Debt service	\$ 574,000
Nonmajor Governmental Funds	Administration fees	40,081
Nonmajor Governmental Funds		
General Fund	Administration fees	3,000
Total		<u>\$ 617,081</u>

### Note 8. 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.

## Village of Algonquin, Illinois

### Notes to Financial Statements

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#### Note 8. Other Information (Continued)

##### (b) Commitments

As of April 30, 2007, the Village has entered into various contracts for the construction, renovation or purchase of various facilities for approximately \$23 million. Approximately \$14 million has been expended to date, and approximately \$9 million remains unexpended. No future financing is required.

##### (c) Joint Venture

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

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

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

All property, real and personal, acquired by SEECOM is 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.

## Village of Algonquin, Illinois

### Notes to Financial Statements

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#### Note 8. Other Information (Continued)

##### (c) Joint Venture (Continued)

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 \$398,817 to SEECOM during fiscal year 2007.

#### Note 9. Employee Retirement Systems and Plans

The Village maintains a single-employer public employee retirement plan - Police Pension Trust Fund. The single-employer fund covers all of the public safety employees. The Village also participates in an agent-multiple-employer public employee retirement system. The Illinois Municipal Retirement System covers substantially all of the Village's general employees. Individual descriptions of these funds follows:

##### (a) Illinois Municipal Retirement Fund

The Village contributes to the Illinois Municipal Retirement Fund (IMRF), which provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent multiple employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

#### Funding Policy

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by state statute. The employer is required to contribute at an actuarially determined rate. The employer rate for calendar year 2006 was 9.27 percent of covered payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2006 was 26 years.

#### Annual Pension Cost, Net Pension Obligation and Actuarial Assumptions

For December 31, 2006, the employer's annual pension cost of \$480,353 was equal to the employer's required and actual contributions. The required contribution was determined as part of the December 31, 2004, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging for 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period.



## Village of Algonquin, Illinois

### Notes to Financial Statements

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#### Note 9. Employee Retirement Systems and Plans (Continued)

##### (b) Police Pension

###### 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, 2007, 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	-
Current employees:	
Vested	26
Nonvested	21
	<hr/>
Total	52
	<hr/> <hr/>

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 one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension is increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. 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.

The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 is increased annually, following the first anniversary date of retirement and paid upon reaching the age of at least 55 years, by 3% of the amount of the pension payable at the time of the increase.

###### 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 2032, 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.

## Village of Algonquin, Illinois

### Notes to Financial Statements

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#### Note 9. Employee Retirement Systems and Plans (Continued)

##### (b) Police Pension (Continued)

##### Annual Pension Cost, Net Pension Asset and Reserves

###### Current Year Annual Pension Cost and Net Pension Asset

For fiscal year 2007, the Village's annual pension cost was \$488,952. The Village's actual contribution was \$490,085. For a description of the significant actuarial assumptions, see "Significant Actuarial Assumptions."

The net pension asset at April 30, 2007, was \$21,903. It was comprised of the following:

###### Net pension obligation:

Annual required contribution	\$ 489,474
Interest on net pension obligation	(1,454)
Adjustment to annual required contribution	<u>932</u>
Annual pension cost	488,952
Contributions made	<u>490,085</u>
Increase in net pension asset (obligation)	1,133
Net pension obligation at beginning of year	(367,998)
Actuarial adjustment *	<u>388,768</u>
Net pension asset at end of year	<u><u>\$ 21,903</u></u>

\* During fiscal year 2007, the Village's actuary determined a one time adjustment to the net pension obligation was necessary in order to align actuarially required contributions with contributions made during the reporting period.

The net pension asset is recorded in the government-wide Statement of Net Assets.

##### 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. The plan held no investments (other than those issued or guaranteed by the U.S. government) that represent 5% or more of net assets available for benefits.

##### 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.

Village of Algonquin, Illinois

Notes to Financial Statements

Note 9. Employee Retirement Systems and Plans (Continued)

(b) Police Pension (Continued)

Significant Actuarial Assumptions

The annual required contribution for the year ended April 30, 2007, was determined as part of the April 30, 2007, 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, 2007 was 26 years.

(c) Trend Information

	For Fiscal Year	Illinois Municipal Retirement	Police Pension	
Annual Pension Cost	2005	\$ 400,952	\$ 418,594	
	2006	456,331	485,719	
	2007	480,353	488,952	
Percent Contributed	2005	100.00	84.72	%
	2006	100.00	86.63	
	2007	100.00	100.23	
Net Pension Asset (Obligation)	2005	\$ -	\$ (303,067)	
	2006	-	(367,998)	
	2007	-	21,903	

## Village of Algonquin, Illinois

### Notes to Financial Statements

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#### Note 10. New Governmental Accounting Standards

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

Statement No. 43 – *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement establishes uniform financial reporting standards for other postemployment benefit plans (OPEB plans) and supersedes existing guidance. The Village is required to implement this Statement for the year ending April 30, 2008.

Statement No. 45 – *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and if applicable, required supplementary information. The Village is required to implement this Statement for the year ending April 30, 2009.

Statement No. 48 – *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*. Governments sometimes exchange an interest in their expected cash flows from collecting specific receivables or specific future revenues for immediate cash payments – generally, a single lump sum. This Statement establishes criteria that governments will use to ascertain whether the proceeds received should be reported as revenue or as a liability and provides guidance to be used for recognizing other assets and liabilities arising from a sale of specific receivables or future revenues. In addition, this Statement requires disclosures pertaining to future revenues that have been pledged or sold, along with information about which revenues will be unavailable and for how long. This Statement will become effective for the year ending April 30, 2008.

Statement No. 49 – *Accounting and Financial Reporting for Pollution Remediation Obligations*, which addressed accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. This Statement will become effective for the year ending April 30, 2009.

Statement No. 50 – *Pension Disclosures – an amendment to GASB Statements No. 25 and No. 27*. This Statement more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and enhances information disclosed in the notes to financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits. The Village will implement Statement No. 50 beginning with the year ending April 30, 2009.

Statement No. 51 – *Accounting and Financial Reporting for Intangible Assets*, establishes accounting and financial reporting requirements for intangible assets. All intangible assets not specifically excluded by the scope of this Statement should be classified as capital assets. All existing authoritative guidance for capital assets should be applied to these intangible assets, as applicable. The Village is required to implement this Statement for the year ending April 30, 2011.

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

**Schedule of Revenues, Expenditures, and Changes in Fund Balance –  
Budget and Actual – General Fund  
Year Ended April 30, 2007**

	Original Budget	Final Budget	Actual	Over (Under)
Revenues				
Charges for services	\$ 451,950	\$ 451,950	\$ 675,560	\$ 223,610
Licenses and permits	915,000	915,000	798,701	(116,299)
Intergovernmental, grants and contributions	139,760	159,710	275,433	115,723
Fines, fees and forfeitures	637,500	637,500	529,982	(107,518)
Property taxes	4,702,750	4,702,750	4,720,450	17,700
Other taxes	9,507,500	9,537,697	9,604,925	67,228
Interest	92,500	92,500	257,336	164,836
Miscellaneous	3,500	3,500	36,106	32,606
<b>Total revenues</b>	<b>16,450,460</b>	<b>16,500,607</b>	<b>16,898,493</b>	<b>397,886</b>
Expenditures				
Current				
General government	4,241,845	4,272,042	3,446,478	825,564
Public safety	6,522,030	6,522,030	6,322,486	199,544
Public works	4,034,550	4,028,020	4,000,026	27,994
Debt Service				
Principal	105,000	105,000	168,317	(63,317)
Interest and fiscal charges	8,850	8,850	15,769	(6,919)
Capital outlay	422,945	449,425	450,438	(1,013)
<b>Total expenditures</b>	<b>15,335,220</b>	<b>15,385,367</b>	<b>14,403,514</b>	<b>981,853</b>
Excess of revenues over expenditures	<b>1,115,240</b>	<b>1,115,240</b>	<b>2,494,979</b>	<b>1,379,739</b>
Other financing sources (uses)				
Transfers in	3,000	3,000	3,000	-
Transfers out	(585,740)	(585,740)	(614,081)	(28,341)
Total other financing sources (uses)	<b>(582,740)</b>	<b>(582,740)</b>	<b>(611,081)</b>	<b>(28,341)</b>
Net change in fund balance	<b>\$ 532,500</b>	<b>\$ 532,500</b>	<b>1,883,898</b>	<b>\$ 1,351,398</b>
Fund balance - beginning			<b>4,811,363</b>	
Fund balance - ending			<b>\$ 6,695,261</b>	

See Note to Required Supplementary Information.

Village of Algonquin, Illinois

Required Supplementary Information  
Analysis of Funding Progress

April 30, 2007

Illinois Municipal Retirement Fund

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)-(1) (Overfunded) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll	(Overfunded) Underfunded AAL as a Percentage of Annual Covered Payroll ((2-1)/3)
12/31/2006	\$ 6,738,166	\$ 7,561,324	\$ 823,158	89.11 %	\$ 5,181,803	15.89 %
12/31/2005	6,125,526	6,851,267	725,741	89.41	5,087,300	14.27
12/31/2004	5,589,776	6,150,286	560,510	90.89	4,706,010	11.91
12/31/2003	4,904,607	5,223,991	319,384	93.89	4,272,456	7.48
12/31/2002	4,339,962	4,300,558	(39,404)	100.92	4,011,654	(0.98)
12/31/2001	3,977,361	3,648,993	(328,368)	109.00	3,485,243	(9.42)

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)
05/01/2007	\$ 8,086,877	\$ 15,528,795	\$ 7,441,918	52.08 %	\$ 3,213,288	231.60 %
05/01/2006	6,846,477	11,202,717	4,356,240	61.11	3,029,643	143.79
05/01/2005	5,710,363	9,285,875	3,575,512	61.50	2,528,254	141.42
05/01/2004	4,957,683	7,917,127	2,959,444	62.62	2,314,625	127.86
05/01/2003	4,151,776	6,450,349	2,298,573	64.37	2,232,241	102.97
05/01/2002	3,591,219	5,984,051	2,392,832	60.01	2,072,555	115.45
05/01/2001	3,118,393	4,658,471	1,540,078	66.94	1,728,289	89.11

Village of Algonquin, Illinois

Required Supplementary Information  
Employer Contributions

April 30, 2007

Illinois Municipal Retirement Fund

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed	
12/31/2006	\$ 480,353	100	%
12/31/2005	456,331	100	
12/31/2004	400,952	100	
12/31/2003	322,998	100	
12/31/2002	302,479	100	
12/31/2001	252,332	100	

Police Pension Fund

Fiscal Year End Date	Annual Required Contribution	Percentage Contributed	
04/30/2007	\$ 489,474	100	%
04/30/2006	489,474	86	
04/30/2005	421,332	84	
04/30/2004	354,319	97	
04/30/2003	342,466	75	
04/30/2002	250,040	94	



Village of Algonquin, Illinois

Note to Required Supplementary Information

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**Note 1. Budgetary Basis of Accounting**

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES,  
BUDGETARY SCHEDULES, SCHEDULES OF CAPITAL ASSETS  
USED IN THE OPERATION OF GOVERNMENTAL 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.

Village of Algonquin, Illinois

General Fund

Schedule of Revenues - Budget and Actual  
Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Charges for services			
Building and zoning	\$ 50,000	\$ 50,000	\$ 160,380
Platting fees	160,000	160,000	210,782
Intergovernmental agreement - police	50,000	50,000	92,758
Police training reimbursement	5,000	5,000	8,752
Alarm lines	-	-	2,400
Snow plowing fees	3,000	3,000	19,500
Park usage fees	-	-	15,060
Recreation programs	147,950	147,950	94,868
Site development fee	10,000	10,000	4,750
Public art impact fee	1,000	1,000	6,006
Rental income	10,000	10,000	40,165
Historical commission	1,000	1,000	1,365
Senior bus	3,000	3,000	2,315
Subdivision signs	10,000	10,000	16,459
Other	1,000	1,000	-
Total charges for services	451,950	451,950	675,560
Licenses and permits			
Liquor licenses	95,000	95,000	115,513
Building permits	800,000	800,000	661,067
Miscellaneous licenses	20,000	20,000	22,121
Total licenses and permits	915,000	915,000	798,701
Intergovernmental, grants and contributions			
Grants - operating, public safety, general	87,260	107,210	145,061
Contributions	52,500	52,500	130,372
Total intergovernmental, grants and contributions	139,760	159,710	275,433
Fines, fees and forfeitures			
County court and drug fines	533,000	533,000	456,495
County prosecution fines	2,000	2,000	1,866
Police fines	55,000	55,000	41,908
Restitution - Court Cases	500	500	268
Police accident reports	5,000	5,000	5,596
Reports, maps and ordinances	4,000	4,000	3,673
Building permit fines	35,000	35,000	17,199

(Continued)

Village of Algonquin, Illinois

General Fund

Schedule of Revenues - Budget and Actual (Continued)  
Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Fines, fees and forfeitures (Continued)			
Maintenance fee	\$ 2,500	\$ 2,500	\$ 2,655
Administrative fees	500	500	322
Total fines, fees and forfeitures	637,500	637,500	529,982
Property taxes			
General	1,500,000	1,500,000	1,501,624
Insurance	525,000	525,000	525,992
Road and bridge	310,000	310,000	320,376
Social security	313,000	313,000	313,706
IMRF	190,000	190,000	190,427
School crossing	5,900	5,900	6,447
Police protection	1,250,000	1,250,000	1,251,350
ESDA	5,900	5,900	6,447
GOBI	113,450	113,450	113,996
Police pension	489,500	489,500	490,085
Total property taxes	4,702,750	4,702,750	4,720,450
Other taxes			
Personal property replacement tax	45,000	45,000	61,475
Cable TV fees	280,000	280,000	321,114
Telecommunication tax	210,000	210,000	191,881
Natural gas franchise fees	45,000	45,000	47,720
State income tax	2,537,500	2,567,697	2,766,039
Sales tax	6,390,000	6,390,000	6,216,696
Total other taxes	9,507,500	9,537,697	9,604,925
Interest	92,500	92,500	257,336
Miscellaneous			
Other	3,500	3,500	36,106
Total revenues	\$ 16,450,460	\$ 16,500,607	\$ 16,898,493

Village of Algonquin, Illinois

General Fund

Schedule of Expenditures - Budget and Actual  
Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Current			
General government			
Administration			
Personnel	\$ 2,461,610	\$ 2,461,610	\$ 1,172,901
Commodities	60,800	60,800	113,793
Contractual services	307,830	307,830	744,638
Other charges	260,875	291,072	219,913
Total administration	3,091,115	3,121,312	2,251,245
Community development			
Personnel	954,500	954,500	934,391
Commodities	34,210	34,210	30,135
Contractual services	85,495	85,495	183,344
Other charges	76,525	76,525	47,363
Total community development	1,150,730	1,150,730	1,195,233
Total general government	4,241,845	4,272,042	3,446,478
Public safety			
Police department			
Personnel	4,762,580	4,762,580	4,723,170
Commodities	204,010	204,010	209,081
Contractual services	915,540	915,540	776,314
Other charges	639,900	639,900	613,921
Total public safety	6,522,030	6,522,030	6,322,486
Public works			
Public works administration			
Personnel	664,875	664,875	614,446
Commodities	82,130	69,750	93,372
Contractual services	53,345	53,345	7,337
Other charges	12,430	12,430	11,785
Total public works administration	812,780	800,400	726,940

(Continued)

Village of Algonquin, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)  
Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Public works (Continued)			
Streets department			
Personnel	\$ 981,475	\$ 981,475	\$ 1,002,931
Commodities	161,280	161,280	188,073
Contractual services	715,130	715,130	748,167
Other charges	13,425	13,425	11,532
Total streets	<u>1,871,310</u>	<u>1,871,310</u>	<u>1,950,703</u>
Parks			
Personnel	951,725	951,725	925,632
Commodities	119,850	125,700	135,075
Contractual services	260,440	260,440	245,517
Other charges	18,445	18,445	16,159
Total parks	<u>1,350,460</u>	<u>1,356,310</u>	<u>1,322,383</u>
Total public works	<u>4,034,550</u>	<u>4,028,020</u>	<u>4,000,026</u>
Debt service			
Bond principal	105,000	105,000	105,000
Capital lease principal	-	-	63,317
Interest and fiscal charges	8,850	8,850	15,769
Total debt service	<u>113,850</u>	<u>113,850</u>	<u>184,086</u>
Capital outlay			
General government	29,490	29,490	119,186
Public safety	186,340	186,340	133,948
Public works	207,115	233,595	197,304
Total capital outlay	<u>422,945</u>	<u>449,425</u>	<u>450,438</u>
Total expenditures	<u>\$ 15,335,220</u>	<u>\$ 15,385,367</u>	<u>\$ 14,403,514</u>

**NONMAJOR GOVERNMENTAL FUNDS – COMBINING STATEMENTS**



Village of Algonquin, Illinois

Nonmajor Governmental Funds  
Combining Balance Sheet  
April 30, 2007

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 3,726,372	\$ 24,314	\$ 74,556	\$ 3,825,242
Investments	1,180,000	3,365,205	-	4,545,205
Receivables				
Other taxes	160,495	-	-	160,495
Intergovernmental	305,258	-	-	305,258
Accrued interest	26,225	18,565	-	44,790
Other	15,000	-	-	15,000
Total assets	<u>\$ 5,413,350</u>	<u>\$ 3,408,084</u>	<u>\$ 74,556</u>	<u>\$ 8,895,990</u>
<b>Liabilities</b>				
Accounts payable	\$ 362,490	\$ -	\$ -	\$ 362,490
Deferred revenue - other	164,031	-	-	164,031
Total liabilities	<u>526,521</u>	<u>-</u>	<u>-</u>	<u>526,521</u>
<b>Fund Balances</b>				
Reserved for				
Donor program	1,310,451	-	-	1,310,451
Cemetery acquisition and perpetual care	222,335	-	-	222,335
Grant programs	1,154,956	-	-	1,154,956
Debt service	-	3,408,084	-	3,408,084
Unreserved	2,199,087	-	74,556	2,273,643
Total fund balances	<u>4,886,829</u>	<u>3,408,084</u>	<u>74,556</u>	<u>8,369,469</u>
Total liabilities and fund balances	<u>\$ 5,413,350</u>	<u>\$ 3,408,084</u>	<u>\$ 74,556</u>	<u>\$ 8,895,990</u>

Village of Algonquin, Illinois

Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Year Ended April 30, 2007

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Revenues				
Charges for services	\$ 139,995	\$ -	\$ -	\$ 139,995
Intergovernmental, grants and contributions	1,429,711	-	18,400	1,448,111
Fines and fees	54,000	-	-	54,000
Other taxes	1,890,162	-	-	1,890,162
Interest	193,233	162,254	3,017	358,504
Miscellaneous	40,231	-	-	40,231
Total revenues	3,747,332	162,254	21,417	3,931,003
Expenditures				
Current				
General government	508,517	-	-	508,517
Public works	531,774	-	-	531,774
Debt service				
Principal	-	375,000	-	375,000
Interest and fiscal charges	-	315,798	-	315,798
Capital outlay	2,075,455	-	10,738	2,086,193
Total expenditures	3,115,746	690,798	10,738	3,817,282
Excess (deficiency) of revenues over expenditures	631,586	(528,544)	10,679	113,721
Other financing sources (uses)				
Transfers in	40,081	574,000	-	614,081
Transfers out	(3,000)	-	-	(3,000)
Total other financing sources (uses)	37,081	574,000	-	611,081
Net change in fund balances	668,667	45,456	10,679	724,802
Fund balances - beginning	4,218,162	3,362,628	63,877	7,644,667
Fund balances - ending	\$ 4,886,829	\$ 3,408,084	\$ 74,556	\$ 8,369,469

## NONMAJOR SPECIAL REVENUE FUNDS

**Community Development Block Grant Fund** – to account for the use of grant monies earmarked for special projects. Financing is provided by grants.

**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.

**Public Swimming Pool Fund** – to account for the operations of the municipal swimming pool. Revenue from seasonal permits and daily fees, as well as a transfer from the general fund, provide for the operation and maintenance of the municipal pool.

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

**Cul de sac Fund** - to account for the maintenance (including snow removal) of cul-de-sacs within the Village. Financing is provided by developer impact fees.

**Hotel/Motel Tax Fund** - to account for development/construction costs for building and enhancing the "tourism related" facilities (a hotel, banquet facility, and restaurant). Financing is provided by hotel/motel taxes.

**School Donations Fund** - to account for revenue from developer impact fees that the Village transfers to local school districts.

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

**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, 2007

	Community Development Block Grant	Motor Fuel Tax	Public Swimming Pool	Parks	Cul de Sac
<b>Assets</b>					
Cash and cash equivalents	\$ 290,257	\$ 732,296	\$ 52,717	\$ 777,016	\$ 47,310
Investments	-	-	-	-	775,000
Receivables					
Other taxes	-	-	-	-	-
Intergovernmental	-	66,258	-	239,000	-
Accrued interest	-	-	-	-	19,119
Other	-	-	1,000	-	-
Total assets	<u>\$ 290,257</u>	<u>\$ 798,554</u>	<u>\$ 53,717</u>	<u>\$ 1,016,016</u>	<u>\$ 841,429</u>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ 623	\$ 171,424	\$ 533
Deferred revenue - other	-	-	49,273	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>49,896</u>	<u>171,424</u>	<u>533</u>
<b>Fund Balances</b>					
Reserved for					
Donor program	-	-	-	457,355	822,310
Cemetery acquisition and perpetual care	-	-	-	-	-
Grant programs	290,257	798,554	-	-	-
Unreserved	-	-	3,821	387,237	18,586
Total fund balances	<u>290,257</u>	<u>798,554</u>	<u>3,821</u>	<u>844,592</u>	<u>840,896</u>
Total liabilities and fund balances	<u>\$ 290,257</u>	<u>\$ 798,554</u>	<u>\$ 53,717</u>	<u>\$ 1,016,016</u>	<u>\$ 841,429</u>

Hotel/ Motel Tax	School Donations	Street Improvement	Cemetery	Totals
\$ 9,209	\$ 131,544	\$ 1,652,539	\$ 33,484	\$ 3,726,372
200,000	-	-	205,000	1,180,000
-	-	160,495	-	160,495
-	-	-	-	305,258
1,042	-	-	6,064	26,225
14,000	-	-	-	15,000
\$ 224,251	\$ 131,544	\$ 1,813,034	\$ 244,548	\$ 5,413,350

\$ -	\$ -	\$ 189,385	\$ 525	\$ 362,490
14,000	100,758	-	-	164,031

14,000	100,758	189,385	525	526,521
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-	30,786	-	-	1,310,451
-	-	66,145	222,335	222,335
210,251	-	1,557,504	-	1,154,956
210,251	-	1,557,504	21,688	2,199,087

210,251	30,786	1,623,649	244,023	4,886,829
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\$ 224,251	\$ 131,544	\$ 1,813,034	\$ 244,548	\$ 5,413,350
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Village of Algonquin, Illinois

Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Year Ended April 30, 2007

	Community Development Block Grant	Motor Fuel Tax	Public Swimming Pool	Parks	Cul de Sac
Revenues					
Charges for services	\$ -	\$ -	\$ 121,316	\$ -	\$ -
Intergovernmental, grants and contributions	-	847,894	-	368,838	-
Fines, fees and forfeitures	-	-	-	-	54,000
Other taxes	-	-	-	-	-
Interest	7,029	28,070	140	50,407	50,350
Miscellaneous	-	-	8,399	-	-
Total revenues	7,029	875,964	129,855	419,245	104,350
Expenditures					
Current					
General government	-	-	138,572	-	-
Public works	-	377,294	-	53,532	42,751
Capital outlay	-	-	-	1,462,390	-
Total expenditures	-	377,294	138,572	1,515,922	42,751
Excess (deficiency) of revenues over expenditures	7,029	498,670	(8,717)	(1,096,677)	61,599
Other financing sources (uses)					
Transfers in	-	-	27,991	12,090	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	27,991	12,090	-
Net change in fund balances	7,029	498,670	19,274	(1,084,587)	61,599
Fund balances - beginning	283,228	299,884	(15,453)	1,929,179	779,297
Fund balances - ending	\$ 290,257	\$ 798,554	\$ 3,821	\$ 844,592	\$ 840,896

Hotel/Motel Tax	School Donations	Street Improvement	Cemetery	Totals
\$ -	\$ -	\$ -	\$ 18,679	\$ 139,995
-	111,014	101,965	-	1,429,711
-	-	-	-	54,000
68,448	-	1,821,714	-	1,890,162
7,222	3,412	32,517	14,086	193,233
-	-	-	31,832	40,231
75,670	114,426	1,956,196	64,597	3,747,332
500	337,915	-	31,530	508,517
-	-	58,197	-	531,774
-	-	613,065	-	2,075,455
500	337,915	671,262	31,530	3,115,746
75,170	(223,489)	1,284,934	33,067	631,586
-	-	-	-	40,081
-	(3,000)	-	-	(3,000)
-	(3,000)	-	-	37,081
75,170	(226,489)	1,284,934	33,067	668,667
135,081	257,275	338,715	210,956	4,218,162
\$ 210,251	\$ 30,786	\$ 1,623,649	\$ 244,023	\$ 4,886,829

Village of Algonquin, Illinois

Community Development Block Grant Fund

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Interest	\$ 5,000	\$ 5,000	\$ 7,029
Expenditures	-	-	-
Net change in fund balance	<u>\$ 5,000</u>	<u>\$ 5,000</u>	7,029
Fund balance - beginning			<u>283,228</u>
Fund balance - ending			<u>\$ 290,257</u>



Village of Algonquin, Illinois

Motor Fuel Tax Fund

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental			
Motor fuel tax allotments	\$ 835,000	\$ 835,000	\$ 847,894
Interest	7,500	7,500	28,070
Total revenues	<u>842,500</u>	<u>842,500</u>	<u>875,964</u>
Expenditures			
Current			
Public works			
Materials	120,600	120,600	117,386
Engineering services	233,500	233,500	28,805
Maintenance	200,000	200,000	231,103
Total expenditures	<u>554,100</u>	<u>554,100</u>	<u>377,294</u>
Net change in fund balance	<u>\$ 288,400</u>	<u>\$ 288,400</u>	498,670
Fund balance - beginning			<u>299,884</u>
Fund balance - ending			<u>\$ 798,554</u>

Village of Algonquin, Illinois

Public Swimming Pool Fund

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Charges for services			
Swimming pool fees	\$ 38,000	\$ 38,000	\$ 31,598
Swimming daily fees	26,000	26,000	21,692
Swimming lessons	44,000	44,000	55,152
Concessions- Candy	12,000	12,000	10,857
Concessions- Vending	3,000	3,000	2,017
Interest	95	95	140
Miscellaneous	6,000	6,000	8,399
Total revenues	129,095	129,095	129,855
Expenditures			
Current			
General government			
Personnel	93,625	93,625	89,741
Commodities	19,095	19,095	23,337
Contractual services	23,850	23,850	22,691
Other	5,320	5,320	2,803
Total expenditures	141,890	141,890	138,572
Deficiency of revenues over expenditures	(12,795)	(12,795)	(8,717)
Other financing sources			
Transfers in	10,615	10,615	27,991
Net change in fund balance	\$ (2,180)	\$ (2,180)	19,274
Fund balance (deficit) - beginning			(15,453)
Fund balance - ending			\$ 3,821

Village of Algonquin, Illinois

Public Swimming Pool Fund

Schedule of Expenditures - Budget and Actual  
Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Expenditures			
Current			
General government			
Personnel			
Salary of pool employees	\$ 85,000	\$ 85,000	\$ 81,546
Social security/state unemployment tax	8,625	8,625	8,195
	<u>93,625</u>	<u>93,625</u>	<u>89,741</u>
Commodities			
Office supplies	1,320	1,320	2,298
Chemicals	7,000	7,000	6,638
Postage	300	300	243
Building supplies	1,000	1,000	592
Concessions	8,000	8,000	11,916
Small tools and equipment	1,475	1,475	1,650
	<u>19,095</u>	<u>19,095</u>	<u>23,337</u>
Contractual services			
Professional services	1,300	1,300	358
Telephone	50	50	75
Gas-heat	2,500	2,500	2,684
Electricity	7,500	7,500	6,030
Maintenance			
Building	2,500	2,500	1,538
Pool	5,000	5,000	7,110
Insurance	5,000	5,000	4,896
	<u>23,850</u>	<u>23,850</u>	<u>22,691</u>
Other			
Travel/training/dues	3,140	3,140	895
Uniforms and safety items	2,180	2,180	1,908
	<u>5,320</u>	<u>5,320</u>	<u>2,803</u>
Total expenditures	<u>\$ 141,890</u>	<u>\$ 141,890</u>	<u>\$ 138,572</u>

Village of Algonquin, Illinois

Parks Fund

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Contributions	\$ 360,000	\$ 360,000	\$ 129,838
Grants	239,000	239,000	239,000
Interest	10,000	10,000	50,407
Total revenues	<u>609,000</u>	<u>609,000</u>	<u>419,245</u>
Expenditures			
Current			
Public works			
Commodities			
Maintenance	20,000	20,000	38,644
Small tools and equipment	-	-	7,023
Contractual services			
Engineering fees	91,000	91,000	160
Professional fees	3,000	3,000	7,705
Capital outlay			
Park development	1,945,000	1,945,000	1,462,390
Total expenditures	<u>2,039,000</u>	<u>2,039,000</u>	<u>1,515,922</u>
Deficiency of revenues over expenditures	(1,430,000)	(1,430,000)	(1,096,677)
Other financing sources			
Transfers in	-	-	12,090
Net change in fund balance	<u>\$ (1,430,000)</u>	<u>\$ (1,430,000)</u>	(1,084,587)
Fund balance - beginning			<u>1,929,179</u>
Fund balance - ending			<u>\$ 844,592</u>

Village of Algonquin, Illinois

Cul De Sac Fund

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Fines, fees and forfeitures			
Cul de sac fees	\$ 6,000	\$ 18,000	\$ 54,000
Interest	35,300	35,300	50,350
Total revenues	<u>41,300</u>	<u>53,300</u>	<u>104,350</u>
Expenditures			
Current			
Public works			
Commodities			
Tools and equipment	3,300	6,300	6,179
Contractual services			
Snow removal	32,000	41,000	36,572
Total expenditures	<u>35,300</u>	<u>47,300</u>	<u>42,751</u>
Net change in fund balance	<u>\$ 6,000</u>	<u>\$ 6,000</u>	61,599
Fund balance - beginning			<u>779,297</u>
Fund balance - ending			<u>\$ 840,896</u>

Village of Algonquin, Illinois

Hotel/Motel Tax Fund

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Hotel tax	\$ 90,000	\$ 90,000	\$ 68,448
Interest	3,000	3,000	7,222
Total revenues	<u>93,000</u>	<u>93,000</u>	<u>75,670</u>
Expenditures			
Current			
General government			
Regional/Marketing	2,000	2,000	500
Contractual - developer agreement	91,000	91,000	-
Total expenditures	<u>93,000</u>	<u>93,000</u>	<u>500</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	75,170
Fund balance - beginning			<u>135,081</u>
Fund balance - ending			<u>\$ 210,251</u>

Village of Algonquin, Illinois

School Donations Fund

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Contributions	\$ 2,000,000	\$ 2,000,000	\$ 111,014
Interest	5,000	5,000	3,412
Total revenues	2,005,000	2,005,000	114,426
Expenditures			
Current			
General government			
Contractual services - impact fees	2,000,000	2,000,000	337,915
Excess (deficiency) of revenues over expenditures	5,000	5,000	(223,489)
Other financing uses			
Transfers out	3,000	3,000	(3,000)
Net change in fund balance	<u>\$ 8,000</u>	<u>\$ 8,000</u>	(226,489)
Fund balance - beginning			<u>257,275</u>
Fund balance - ending			<u>\$ 30,786</u>

Village of Algonquin, Illinois

Street Improvement Fund

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Contributions	\$ -	\$ -	\$ 101,965
Other taxes			
Home rule sales tax	760,000	760,000	273,647
Utility taxes	945,000	945,000	1,029,298
Telecommunication taxes	550,000	550,000	518,769
Interest	2,500	2,500	32,517
Total revenues	<u>2,257,500</u>	<u>2,257,500</u>	<u>1,956,196</u>
Expenditures			
Current			
Public works			
Contractual services			
Legal services	1,000	1,000	-
Engineering services	317,000	317,000	58,197
Capital outlay			
Capital improvements	660,290	660,290	613,065
Total expenditures	<u>978,290</u>	<u>978,290</u>	<u>671,262</u>
Net change in fund balance	<u>\$ 1,279,210</u>	<u>\$ 1,279,210</u>	1,284,934
Fund balance - beginning			<u>338,715</u>
Fund balance - ending			<u>\$ 1,623,649</u>



Village of Algonquin, Illinois

Cemetery Fund

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Charges for services			
Opening graves and closing crypts	\$ 9,000	\$ 9,000	\$ 8,339
Perpetual care	1,000	1,000	1,800
Sale of lots	4,000	4,000	8,540
Interest	7,270	7,270	14,086
Miscellaneous	16,390	16,390	31,832
Total revenues	<u>37,660</u>	<u>37,660</u>	<u>64,597</u>
Expenditures			
Current			
General government			
Commodities			
Supplies	3,000	3,000	558
Small tools and equipment	2,000	2,000	1,526
Contractual services			
Professional services	20,900	20,900	21,961
Grave openings	6,500	6,500	6,200
Insurance	1,400	1,400	1,285
Total expenditures	<u>33,800</u>	<u>33,800</u>	<u>31,530</u>
Excess of revenues over expenditures	<u>3,860</u>	<u>3,860</u>	<u>33,067</u>
Other financing sources			
Transfers in	<u>4,390</u>	<u>4,390</u>	-
Net change in fund balance	<u>\$ 8,250</u>	<u>\$ 8,250</u>	33,067
Fund balance - beginning			<u>210,956</u>
Fund balance - ending			<u>\$ 244,023</u>

#### **NONMAJOR 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, 2007

	Original Budget	Final Budget	Actual
Revenues			
Interest	\$ 25,000	\$ 25,000	\$ 162,254
Expenditures			
Debt service			
Principal	375,000	375,000	375,000
Interest and fiscal charges	320,000	320,000	315,798
Total expenditures	695,000	695,000	690,798
Excess (deficiency) of revenue over expenditures	(670,000)	(670,000)	(528,544)
Other financing sources			
Transfers in	575,125	575,125	574,000
Net change in fund balance	\$ (94,875)	\$ (94,875)	45,456
Fund balance - beginning			3,362,628
Fund balance - ending			\$ 3,408,084

#### **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

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Contributions	\$ 40,000	\$ 40,000	\$ 18,400
Interest	1,100	1,100	3,017
Total revenues	<u>41,100</u>	<u>41,100</u>	<u>21,417</u>
Expenditures			
Capital outlay	<u>5,000</u>	<u>10,738</u>	<u>10,738</u>
Net change in fund balance	<u>\$ 36,100</u>	<u>\$ 30,362</u>	10,679
Fund balance - beginning			<u>63,877</u>
Fund balance - ending			<u>\$ 74,556</u>

## **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

Statement of Net Assets - by Account  
April 30, 2007

	Unrestricted Accounts		Restricted Accounts			
	Operations and Maintenance	Improvements and Extension	Bond and Interest	Bond Reserve	Depreciation	Totals
<b>Assets</b>						
Current Assets						
Cash and cash equivalents	\$ 413,892	\$ 4,180,882	\$ -	\$ -	\$ -	\$ 4,594,774
Investments	-	2,900,000	-	-	-	2,900,000
Receivables						
Accounts	771,922	751,453	-	-	-	1,523,375
Interest	-	32,516	-	-	-	32,516
Intrafund receivable (payable)	1,415,956	(1,081,508)	(61,732)	(270,578)	(2,138)	-
Prepaid items	17,228	-	-	-	-	17,228
<b>Total current assets</b>	<b>2,618,998</b>	<b>6,783,343</b>	<b>(61,732)</b>	<b>(270,578)</b>	<b>(2,138)</b>	<b>9,067,893</b>
Restricted Assets						
Cash and cash equivalents	-	-	1,907	600	241	2,748
Investments	-	-	433,000	515,000	150,000	1,098,000
Accrued interest	-	-	9,785	7,223	2,138	19,146
<b>Total restricted assets</b>	<b>-</b>	<b>-</b>	<b>444,692</b>	<b>522,823</b>	<b>152,379</b>	<b>1,119,894</b>
Capital Assets						
Cost	106,671,846	-	-	-	-	106,671,846
Accumulated depreciation	(28,126,984)	-	-	-	-	(28,126,984)
<b>Total capital assets, net</b>	<b>78,544,862</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>78,544,862</b>
<b>Total assets</b>	<b>\$ 81,163,860</b>	<b>\$ 6,783,343</b>	<b>\$ 382,960</b>	<b>\$ 252,245</b>	<b>\$ 150,241</b>	<b>\$ 88,732,649</b>

	Unrestricted Accounts		Restricted Accounts			
	Operations and Maintenance	Improvements and Extension	Bond and Interest	Bond Reserve	Depreciation	Totals
<b>Liabilities</b>						
Current Liabilities						
Accounts payable	\$ 1,070,047	\$ 2,100,855	\$ -	\$ -	\$ -	\$ 3,170,902
Accrued interest	42,046	-	-	-	-	42,046
Compensated absences	78,125	-	-	-	-	78,125
General obligation bonds payable	195,000	-	-	-	-	195,000
Revenue bonds payable	235,000	-	-	-	-	235,000
<b>Total current liabilities</b>	<b>1,620,218</b>	<b>2,100,855</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,721,073</b>
Noncurrent Liabilities						
Compensated absences payable	25,559	-	-	-	-	25,559
General obligation bonds payable, net	10,211,837	-	-	-	-	10,211,837
Revenue bonds payable, net	193,488	-	-	-	-	193,488
<b>Total noncurrent liabilities</b>	<b>10,430,884</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,430,884</b>
<b>Total liabilities</b>	<b>12,051,102</b>	<b>2,100,855</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,151,957</b>
<b>Net Assets</b>						
Invested in capital assets, net of related debt	67,709,537	-	-	-	-	67,709,537
Restricted - revenue bond covenants	-	-	382,960	252,245	150,241	785,446
Unrestricted (deficit)	1,403,221	4,682,488	-	-	-	6,085,709
<b>Total net assets</b>	<b>\$ 69,112,758</b>	<b>\$ 4,682,488</b>	<b>\$ 382,960</b>	<b>\$ 252,245</b>	<b>\$ 150,241</b>	<b>\$ 74,580,692</b>



Village of Algonquin, Illinois

Waterworks and Sewerage Fund

Statement of Changes in Net Assets -  
Restricted Accounts  
Year Ended April 30, 2007

	Bond and Interest	Bond Reserve	Depreciation	Totals
Increases				
Interest	\$ 53,492	\$ 32,549	\$ 9,498	\$ 95,539
Account transfers	410,268	-	-	410,268
Total increases	463,760	32,549	9,498	505,807
Decreases				
Account transfers	-	295,578	9,338	304,916
Bond interest and fees	566,227	-	-	566,227
Total decreases	566,227	295,578	9,338	871,143
Change in net assets	(102,467)	(263,029)	160	(365,336)
Restricted net assets - beginning	485,427	515,274	150,081	1,150,782
Restricted net assets - ending	\$ 382,960	\$ 252,245	\$ 150,241	\$ 785,446

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, 2007

	Original Budget	Final Budget	Actual
Operating revenues			
Charges for services			
Water and sewer revenue	\$ 4,573,800	\$ 4,573,800	\$ 4,547,499
Meter sales	225,000	225,000	90,993
Connection fees	2,400,000	2,400,000	903,888
Home rule sales tax	1,475,000	1,475,000	2,568,447
Administration fee	8,000	8,000	67,967
Miscellaneous	140,500	140,500	54,781
Total operating revenues	8,822,300	8,822,300	8,233,575
Operating expenses excluding depreciation	4,803,600	4,870,227	4,029,257
Nonoperating revenues (expenses)			
Insurance proceeds	-	105,000	105,000
Contributions	200,000	200,000	1,090
Interest income	156,300	156,300	577,561
Interest expense and fiscal agent fees	-	-	(578,495)
Total nonoperating revenues (expenses)	356,300	461,300	105,156

Village of Algonquin, Illinois

Waterworks and Sewerage Fund

Schedule of Operating Expenses - Budget and Actual (Budgetary Basis)

Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Water department			
Personnel			
IMRF	\$ 77,050	\$ 77,050	\$ 70,804
FICA	63,850	63,850	59,163
Unemployment tax	4,200	4,200	2,840
Health insurance	112,200	112,200	116,313
Salaries	778,100	778,100	762,136
Overtime	40,000	40,000	34,372
Commodities			
Meters	93,440	93,440	90,020
Office supplies	1,500	1,500	1,959
Materials	13,570	13,570	9,856
Chemicals	166,500	166,500	135,755
Postage	26,800	26,800	28,215
Building supplies	3,240	3,240	8,337
Small tools and equipment	26,830	26,830	24,259
Fuel	25,600	25,600	26,462
Lab supplies	4,100	4,100	4,081
Office furniture and equipment	7,950	7,950	7,067
Contractual services			
Utilities	366,860	366,860	267,883
Legal services	10,000	10,000	-
Audit services	3,300	3,300	3,022
Engineering services	17,000	17,000	3,146
Professional services	89,100	89,100	75,395
Insurance	82,750	82,750	84,800
Publications	2,150	2,150	1,680
Printing	8,900	8,900	6,844
Equipment rental	3,720	3,720	1,211
Physical exams	600	600	-
Travel/training/dues	12,300	12,300	7,220
Bank processing fees	9,500	9,500	10,857
Uniforms	6,800	6,800	7,377
Maintenance			
Wells	17,950	17,950	19,450
Booster station	21,900	21,900	21,479
Maintenance storage facility	12,750	12,750	14,312
Treatment facility	19,710	59,420	35,562
Distribution system	122,830	105,195	105,194

Village of Algonquin, Illinois

Waterworks and Sewerage Fund

Schedule of Operating Expenses - Budget and Actual (Budgetary Basis) (Continued)

Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Water department (continued)			
Contractual services (continued)			
Maintenance (continued)			
Vehicle maintenance	\$ 40,000	\$ 40,000	\$ 37,740
Radio maintenance	350	350	-
Building maintenance	20,290	20,290	12,768
Maintenance - Other	17,910	17,910	12,568
Equipment maintenance	5,000	5,000	4,939
Capital outlay	426,100	426,100	504,690
Less fixed assets capitalized	(426,100)	(426,100)	(504,690)
Total water department	2,336,600	2,358,675	2,115,086
Sewer department			
Personnel			
IMRF	68,500	68,500	60,855
FICA	57,625	57,625	51,154
Unemployment tax	3,675	3,675	2,638
Health insurance	101,650	101,650	88,349
Salaries	694,500	694,500	658,000
Overtime	37,400	37,400	32,568
Commodities			
Meters	93,420	93,420	90,011
Office supplies	2,150	2,150	1,454
Materials	12,600	12,600	15,246
Chemicals	96,100	96,100	64,428
Postage	24,900	24,900	22,525
Building supplies	3,190	3,190	5,992
Small tools and equipment	32,790	32,790	28,041
Fuel	20,600	20,600	18,676
Lab supplies	4,100	4,100	3,123
Office furniture and equipment	6,400	7,534	6,632
Contractual services			
Utilities	197,075	197,075	238,017
Legal services	9,000	9,000	2,380
Audit services	3,300	3,300	3,022
Engineering services	24,500	24,500	29,863
Professional services	81,175	81,175	67,010

Village of Algonquin, Illinois

Waterworks and Sewerage Fund

Schedule of Operating Expenses - Budget and Actual (Budgetary Basis) (Continued)  
Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Sewer department (continued)			
Contractual services (continued)			
Insurance	\$ 76,400	\$ 76,400	\$ 74,999
Publications	2,000	2,000	807
Printing	5,800	5,800	3,299
Equipment rental	6,000	11,026	6,368
Physical exams	600	600	-
Sludge removal	70,550	108,942	107,442
Travel/training/dues	14,000	14,000	4,782
Bank processing fees	9,500	9,500	10,857
Uniforms	8,650	8,650	8,412
Maintenance			
Treatment facility	65,790	65,790	49,280
Lift station	27,100	27,100	30,234
Collection station	14,650	14,650	14,126
Vehicle maintenance	40,000	40,000	34,453
Radio maintenance	350	350	-
Building maintenance	32,590	32,590	18,218
Equipment maintenance	20,000	20,000	31,050
Other	870	870	579
Capital outlay	10,055,100	10,283,047	6,708,209
Less capitalized amounts	(10,055,100)	(10,283,047)	(6,708,209)
Total sewer department	<u>1,969,500</u>	<u>2,014,052</u>	<u>1,884,890</u>
Non departmental			
Contractual services			
Engineering services	452,500	452,500	17,460
Professional services	-	-	6,396
Legal services	45,000	45,000	5,425
Total non departmental	<u>497,500</u>	<u>497,500</u>	<u>29,281</u>
Total operating expenses	<u>\$ 4,803,600</u>	<u>\$ 4,870,227</u>	<u>\$ 4,029,257</u>

#### **INTERNAL SERVICE FUND**

**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

Nonmajor Internal Service Fund - Vehicle Maintenance Fund

Schedule of Revenues, Expenses and  
Changes in Net Assets - Budget and Actual  
Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Operating revenues			
Charges for services			
Maintenance billings	\$ 628,340	\$ 704,240	\$ 704,290
Fire district fuel	50,070	50,070	45,617
Fuel billings	215,610	256,810	260,675
Miscellaneous	-	-	505
Total operating revenues	<u>894,020</u>	<u>1,011,120</u>	<u>1,011,087</u>
Operating expenses			
Personnel	291,400	291,400	341,398
Contractual services	28,340	28,340	18,074
Supplies and materials	473,850	590,950	598,907
Maintenance	84,580	84,580	68,401
Other charges	31,650	31,650	(15,693)
Total operating expenses	<u>909,820</u>	<u>1,026,920</u>	<u>1,011,087</u>
Change in net assets	<u>\$ (15,800)</u>	<u>\$ (15,800)</u>	-
Net assets - beginning			<u>88,164</u>
Net assets - ending			<u>\$ 88,164</u>

Village of Algonquin, Illinois

Internal Service Fund - Vehicle Maintenance Fund

Schedule of Operating Expenses - Budget and Actual  
Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Operating expenses			
Personnel			
IMRF	\$ 21,100	\$ 21,100	\$ 22,780
FICA	17,000	17,000	18,869
SUI	1,200	1,200	937
Health insurance	30,100	30,100	47,009
Salaries	209,000	209,000	242,285
Overtime	13,000	13,000	9,518
	<u>291,400</u>	<u>291,400</u>	<u>341,398</u>
Contractual services			
Telephone	3,280	3,280	3,766
Natural gas	15,000	15,000	7,143
Professional services	5,550	5,550	4,218
Publications	2,000	2,000	1,983
Printing and advertising	1,160	1,160	222
Equipment rental	1,050	1,050	742
Physical exams	300	300	-
	<u>28,340</u>	<u>28,340</u>	<u>18,074</u>
Supplies and materials			
Office supplies	1,200	1,200	2,622
Postage	300	300	57
Building supplies	3,100	3,100	5,816
Tools, equipment and supplies	8,650	8,650	9,843
Fuel	268,870	310,070	305,089
Oil, lubricants, and fluids	182,830	258,730	266,318
Office furniture and equipment	8,900	8,900	9,162
	<u>473,850</u>	<u>590,950</u>	<u>598,907</u>

(Continued)



Village of Algonquin, Illinois

Internal Service Fund - Vehicle Maintenance Fund

Schedule of Operating Expenses - Budget and Actual (Continued)

Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Operating expenses (continued)			
Maintenance			
Vehicle maintenance	\$ 4,000	\$ 4,000	\$ 7,648
Equipment maintenance	1,000	1,000	3,626
Radio maintenance	150	150	21,374
Building maintenance	24,230	24,230	34,867
Outsourced vehicle and equipment maintenance	55,000	55,000	886
Office equipment maintenance	200	200	-
	<u>84,580</u>	<u>84,580</u>	<u>68,401</u>
Other charges			
Travel, training and dues	9,000	9,000	5,772
Uniforms and safety items	6,800	6,800	7,316
Miscellaneous	15,850	15,850	(28,781)
	<u>31,650</u>	<u>31,650</u>	<u>(15,693)</u>
Total operating expenses	<u>\$ 909,820</u>	<u>\$ 1,026,920</u>	<u>\$ 1,011,087</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, 2007

	Original Budget	Final Budget	Actual
Additions			
Contributions			
Employer	\$ 489,475	\$ 489,475	\$ 490,085
Participants	332,400	332,400	312,957
	<u>821,875</u>	<u>821,875</u>	<u>803,042</u>
Investment income			
Net appreciation in fair value of investments	358,692	358,692	445,341
Interest income	126,408	126,408	178,494
Less investment expenses	<u>(30,000)</u>	<u>(30,000)</u>	<u>(41,737)</u>
	<u>455,100</u>	<u>455,100</u>	<u>582,098</u>
Total additions	<u>1,276,975</u>	<u>1,276,975</u>	<u>1,385,140</u>
Deductions			
Administration	13,100	13,100	11,507
Pension benefits and refunds	<u>150,000</u>	<u>150,000</u>	<u>133,234</u>
Total deductions	<u>163,100</u>	<u>163,100</u>	<u>144,741</u>
Change in net assets	<u>\$ 1,113,875</u>	<u>\$ 1,113,875</u>	1,240,399
Net assets - beginning			<u>6,846,478</u>
Net assets - ending			<u>\$ 8,086,877</u>

Village of Algonquin, Illinois

Agency Fund - Developer Deposits

Statement of Changes in Assets and Liabilities  
Year Ended April 30, 2007

	Balance, May 1	Additions	Deductions	Balance, April 30
<hr/>				
<b>Assets</b>				
Cash and cash equivalents	\$ 705,637	\$ 366,541	\$ 314,878	\$ 757,300
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Liabilities</b>				
Deposits	\$ 705,637	\$ 366,541	\$ 314,878	\$ 757,300
	<hr/>	<hr/>	<hr/>	<hr/>

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

Village of Algonquin, Illinois

Capital Assets Used in the Operation of Governmental Funds

Schedule of Capital Assets by Source

April 30, 2007

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Assets

Governmental funds capital assets

Land	\$ 99,719,698
Buildings	15,976,573
Improvements other than buildings	8,908,048
Vehicles and equipment	5,224,259
Streets/storm sewers/bridges	90,169,837
Construction in progress	<u>2,342,627</u>

Total governmental funds capital assets	<u><u>\$ 222,341,042</u></u>
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Investment in Governmental Funds Capital Assets By Source

From current revenues and developer donations	\$ 204,360,393
Debt issuance	11,585,000
Intergovernmental	<u>6,395,649</u>

Total governmental funds capital assets	<u><u>\$ 222,341,042</u></u>
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Village of Algonquin, Illinois

Capital Assets Used in the Operation of Governmental Funds  
Schedule by Function and Activity  
April 30, 2007

	Land	Buildings	Improvements Other Than Buildings	Vehicles and Equipment	Streets/ Storm Sewers/ Bridges	Construction in Progress	Total
General government	\$ 2,966,613	\$ 5,415,205	\$ 1,475,166	\$ 2,488,338	\$ -	\$ -	\$ 12,345,322
Public safety	-	-	-	535,653	-	-	535,653
Public works	96,753,085	10,561,368	7,432,882	2,200,268	90,169,837	2,342,627	209,460,067
	<u>\$ 99,719,698</u>	<u>\$ 15,976,573</u>	<u>\$ 8,908,048</u>	<u>\$ 5,224,259</u>	<u>\$ 90,169,837</u>	<u>\$ 2,342,627</u>	<u>\$ 222,341,042</u>

Village of Algonquin, Illinois

Capital Assets Used in the Operation of Governmental Funds  
Schedule of Changes by Function and Activity  
Year Ended April 30, 2007

	Balance May 1, 2006	Additions	Deletions	Balance April 30, 2007
General government	\$ 12,146,246	\$ 234,017	\$ 34,941	\$ 12,345,322
Public safety	598,456	133,948	196,751	535,653
Public works	210,732,407	3,533,441	4,805,780	209,460,068
	<u>\$ 223,477,109</u>	<u>\$ 3,901,406</u>	<u>\$ 5,037,472</u>	<u>\$ 222,341,043</u>



## OTHER SUPPLEMENTARY INFORMATION

Village of Algonquin, Illinois

Long-Term Debt Requirements

General Obligation Refunding Bonds, Series 1998

April 30, 2007

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Date of issue	October 1, 1998
Date of maturity	December 30, 2007
Interest rate	3.50% - 3.80%
Interest dates	June 30 and December 30
Payable at	Cole Taylor Bank

Principal and Interest Requirements

Fiscal Year	June 30 Interest	December 30		Total
		Principal	Interest	
2008	\$ 2,220	\$ 120,000	\$ 2,220	\$ 124,440

Village of Algonquin, Illinois

Long-Term Debt Requirements

General Obligation Refunding Bonds, Series 2001A

April 30, 2007

Date of issue	July 1, 2001
Date of maturity	April 1, 2012
Interest rate	3.00% - 4.50%
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	
2008	\$ 34,841	\$ 170,000	\$ 34,841	\$ 239,682
2009	31,123	180,000	31,123	242,246
2010	27,185	460,000	27,185	514,370
2011	17,123	405,000	17,123	439,246
2012	8,213	365,000	8,213	381,426
	\$ 118,485	\$ 1,580,000	\$ 118,485	\$ 1,816,970

Village of Algonquin, Illinois

Long-Term Debt Requirements

General Obligation Refunding Bonds, Series 2001B

April 30, 2007

Date of issue	July 1, 2001
Date of maturity	April 1, 2010
Interest rate	3.00% - 4.75%
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	
2008	\$ 23,734	\$ 370,000	\$ 23,734	\$ 417,468
2009	15,641	390,000	15,641	421,282
2010	7,109	325,000	7,109	339,218
	<u>\$ 46,484</u>	<u>\$ 1,085,000</u>	<u>\$ 46,484</u>	<u>\$ 1,177,968</u>

Village of Algonquin, Illinois

Long-Term Debt Requirements

Waterworks and Sewerage Revenue Refunding Bonds, Series 2002

April 30, 2007

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Date of issue	January 15, 2002
Date of maturity	April 1, 2009
Interest rate	2.80% - 3.80%
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	
2008	\$ 8,623	\$ 235,000	\$ 8,623	\$ 252,246
2009	4,275	225,000	4,275	233,550
	<u>\$ 12,898</u>	<u>\$ 460,000</u>	<u>\$ 12,898</u>	<u>\$ 485,796</u>

Village of Algonquin, Illinois

Long-Term Debt Requirements  
General Obligation Bonds, Series 2002A  
April 30, 2007

Date of issue	March 15, 2002
Date of maturity	April 1, 2015
Interest rate	4.00% to 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	
2008	\$ 68,153	\$ 40,000	\$ 68,153	\$ 176,306
2009	67,353	50,000	67,353	184,706
2010	66,353	140,000	66,353	272,706
2011	63,378	500,000	63,378	626,756
2012	52,753	535,000	52,753	640,506
2013	41,050	560,000	41,050	642,100
2014	28,450	600,000	28,450	656,900
2015	14,950	650,000	14,950	679,900
	<u>\$ 402,440</u>	<u>\$ 3,075,000</u>	<u>\$ 402,440</u>	<u>\$ 3,879,880</u>

Village of Algonquin, Illinois

Long-Term Debt Requirements  
General Obligation Bonds, Series 2002B  
April 30, 2007

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Date of issue	March 19, 2002
Date of maturity	April 1, 2021
Interest rate	5.10% to 5.40%
Interest dates	April 1
Payable at	BNY Midwest Trust Company

Principal and Interest Requirements

Fiscal Year	April 1		Total
	Principal	Interest	
2016	\$ 429,002	\$ 245,998	\$ 675,000
2017	405,947	269,053	675,000
2018	383,757	291,243	675,000
2019	375,851	324,149	700,000
2020	354,620	345,380	700,000
2021	265,590	294,410	560,000
	<u>\$ 2,214,767</u>	<u>\$ 1,770,233</u>	<u>\$ 3,985,000</u>

Village of Algonquin, Illinois

Long Term Debt Obligations  
General Obligation Bonds, Series 2005A  
April 30, 2007

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	
2008	\$ 178,980	\$ 25,000	\$ 178,980	\$ 382,960
2009	178,543	35,000	178,543	392,086
2010	177,886	25,000	177,886	380,772
2011	177,418	50,000	177,418	404,836
2012	176,480	100,000	176,480	452,960
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	859,185
2016	143,868	575,000	143,868	862,735
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	882,535
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	903,563
2024	35,581	850,000	35,581	921,163
2025	18,156	875,000	18,156	911,313
	<u>\$ 2,240,323</u>	<u>\$ 9,000,000</u>	<u>\$ 2,240,323</u>	<u>\$ 13,480,647</u>



Village of Algonquin, Illinois

Long Term Debt Obligations  
General Obligation Bonds, Series 2005B  
April 30, 2007

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 Interest	April 1		Total
		Principal	Interest	
2008	\$ 57,328	\$ -	\$ 57,328	\$ 114,656
2009	57,328	-	57,328	114,656
2010	57,328	-	57,328	114,656
2011	57,328	-	57,328	114,656
2012	57,328	-	57,328	114,656
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>\$ 637,016</u>	<u>\$ 2,935,000</u>	<u>\$ 637,016</u>	<u>\$ 4,209,032</u>

STATISTICAL SECTION  
(unaudited)

## 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>	<b>101-106</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>Revenue Capacity</b>	<b>107-112</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>Debt Capacity</b>	<b>113-116</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>Demographic and Economic Information</b>	<b>117-119</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>Operating Information</b>	<b>120-122</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.	

### 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 Four Fiscal Years

	Fiscal Year			
	2004	2005	2006	2007
Governmental Activities				
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
Total Governmental Activities	\$ 158,649,521	\$ 191,965,056	\$ 195,813,165	\$ 196,246,028
Business-type Activities				
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
Total Business-type Activities	\$ 55,322,247	\$ 72,330,737	\$ 73,193,829	\$ 74,580,692
Total				
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
Total Primary Government	\$ 213,971,768	\$ 264,295,793	\$ 269,006,994	\$ 270,826,720

Data Source

Audited Financial Statements

Village of Algonquin, Illinois

Change in Net Assets

Last Four Fiscal Years

	Fiscal Year			
	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	\$ 20,565,857	\$ 28,372,059	\$ 26,113,694	\$ 29,047,902
<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	\$ 33,920,282	\$ 65,670,302	\$ 15,360,145	\$ 10,704,791
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	\$ 13,354,425	\$ 37,298,243	\$ (10,753,549)	\$ (18,343,111)

(Continued)

Village of Algonquin, Illinois

Change in Net Assets (Continued)  
Last Four Fiscal Years

	Fiscal Year			
	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
Transfers	-	-	-	-
Total Governmental Activities	10,523,386	12,844,614	15,218,769	16,911,829
Business-type Activities				
Sales		-	-	2,568,447
Investment Earnings	114,704	181,168	245,981	577,561
Miscellaneous	(250,395)	-	-	105,000
Transfers	-	-	-	-
Total Business-type Activities	(135,691)	181,168	245,981	3,251,008
Total Primary Government	\$ 10,387,695	\$ 13,025,782	\$ 15,464,750	\$ 20,162,837
<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
Total Primary Government				
Change in Net Assets	\$ 23,742,120	\$ 50,324,025	\$ 4,711,201	\$ 1,819,726

Data Source

Audited Financial Statements

Village of Algonquin, Illinois

Fund Balances of Governmental Funds  
Last Ten Fiscal Years

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Fund										
Reserved	\$ 392,535	\$ 376,404	\$ 114,531	\$ 65,287	\$ -	\$ 56,663	\$ 67,970	\$ 73,572	\$ 73,689	\$ 489,665
Designated	-	-	-	-	-	-	-	-	-	439,570
Unreserved	2,451,055	2,182,288	2,415,964	2,909,169	2,044,362	1,155,543	1,984,223	3,846,707	4,737,674	5,766,026
Total General Fund	\$ 2,843,590	\$ 2,558,692	\$ 2,530,495	\$ 2,974,456	\$ 2,044,362	\$ 1,212,206	\$ 2,052,193	\$ 3,920,279	\$ 4,811,363	\$ 6,695,261
All Other Governmental Funds										
Reserved	\$ 1,116,347	\$ 1,170,447	\$ -	\$ -	\$ -	\$ -	\$ 2,135,363	\$ 1,570,213	\$ 6,453,623	\$ 6,095,826
Unreserved, reported in										
Special Revenue Funds	2,870,172	4,242,958	6,241,000	7,497,457	8,104,587	6,875,752	3,567,165	3,715,606	2,199,087	2,199,087
Capital Project Funds	12,757	87,445	654,065	1,543,668	7,850,974	2,719,338	31,162	(21,899)	74,556	74,556
Debt Service Funds	-	-	498,407	537,517	582,010	595,259	-	-	-	-
Total All Other Governmental Funds	\$ 3,999,276	\$ 5,500,850	\$ 7,393,472	\$ 9,578,642	\$ 16,537,571	\$ 10,190,349	\$ 5,733,690	\$ 5,263,920	\$ 8,727,266	\$ 8,369,469

Data Source

Audited Financial Statements

Village of Algonquin, Illinois

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Revenues</b>										
Taxes	\$ 4,071,492	\$ 4,583,497	\$ 4,967,915	\$ 5,768,528	\$ 6,456,006	\$ 7,630,517	\$ 10,687,467	\$ 12,502,435	\$ 14,729,311	\$ 16,215,537
Licenses and Permits	439,805	520,591	703,225	1,130,910	1,195,121	1,081,629	711,050	1,564,632	1,111,868	798,701
Intergovernmental, grants and contributions	2,315,304	2,326,291	3,110,461	3,699,363	3,068,438	3,446,123	2,603,352	3,485,828	2,414,341	1,723,544
Charges for Services	1,099,768	703,333	980,895	838,563	849,321	902,084	811,630	557,327	480,582	815,555
Fines and Forfeitures	423,782	443,505	514,247	523,258	641,270	564,154	804,387	859,013	576,564	583,982
Investment Income	306,557	341,108	431,559	640,433	442,898	378,085	126,958	158,115	325,514	615,840
Miscellaneous	529,729	605,060	815,751	591,643	1,147,376	772,364	148,336	135,415	65,359	76,337
<b>Total Revenues</b>	<b>9,186,437</b>	<b>9,523,385</b>	<b>11,524,053</b>	<b>13,192,698</b>	<b>13,800,430</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>Expenditures</b>										
General Government	1,555,207	1,692,209	1,795,987	2,056,607	2,338,553	2,502,442	3,096,296	4,198,060	4,040,376	3,954,995
Public Safety	2,014,485	2,513,675	2,874,840	3,374,457	3,736,608	4,563,809	5,175,559	5,479,560	6,622,469	6,322,486
Highways and Streets	1,229,894	1,531,079	1,498,104	1,737,132	2,029,600	2,341,470	-	-	-	-
Public Works	-	-	-	-	-	-	3,181,664	4,479,163	3,978,291	4,531,800
Culture and Recreation	417,288	519,019	627,698	593,221	1,044,047	1,749,971	-	-	-	-
Miscellaneous	-	-	-	-	47,480	54,879	-	-	-	-
Capital Outlay	2,715,706	1,712,532	2,350,055	2,373,845	4,980,188	9,996,548	8,362,461	3,234,345	3,900,017	2,536,631
Debt Service										
Principal	125,000	150,000	260,000	300,000	380,000	365,000	385,000	463,181	504,547	543,317
Interest	264,363	265,180	229,175	215,202	152,403	297,446	271,768	261,888	296,134	331,567
Other Charges	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>8,321,943</b>	<b>8,383,694</b>	<b>9,635,859</b>	<b>10,650,464</b>	<b>14,708,879</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>Excess of Revenues over (under)</b>										
Expenditures	864,494	1,139,691	1,888,194	2,542,234	(908,449)	(7,096,609)	(4,579,568)	1,146,568	361,705	2,608,700

(Continued)



Village of Algonquin, Illinois

Changes in Fund Balances of Governmental Funds (Continued)

Last Ten Fiscal Years

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Other financing Sources (Uses)</b>										
Transfers In	\$ 1,166,800	\$ 757,854	\$ 917,531	\$ 1,184,083	\$ 2,495,312	\$ 1,348,251	\$ 560,319	\$ 562,909	\$ 574,104	\$ 617,081
Transfers Out	(1,168,228)	(765,899)	(1,155,820)	(1,191,628)	(521,700)	(1,184,790)	(560,319)	(562,909)	(574,104)	(617,081)
Proceeds from Capital Lease	-	-	-	-	-	-	-	250,000	-	-
Proceeds from bonds	-	762,832	-	-	6,672,542	-	-	-	2,935,000	-
Discount on general obligation bond	-	-	-	-	-	-	-	-	(24,874)	-
Transfer to refunded bond escrow	-	(749,834)	-	-	(1,883,335)	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	36,107	1,748	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(1,428)</b>	<b>4,953</b>	<b>(238,289)</b>	<b>(7,545)</b>	<b>6,762,819</b>	<b>163,461</b>	<b>36,107</b>	<b>251,748</b>	<b>2,910,126</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 863,066</b>	<b>\$ 1,144,644</b>	<b>\$ 1,649,905</b>	<b>\$ 2,534,689</b>	<b>\$ 5,854,370</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>Debt Service as a Percentage of</b>										
<b>Noncapital Expenditures</b>	<b>6.95%</b>	<b>6.22%</b>	<b>6.71%</b>	<b>6.22%</b>	<b>5.47%</b>	<b>5.58%</b>	<b>5.42%</b>	<b>4.87%</b>	<b>5.19%</b>	<b>5.58%</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 Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value	Commercial and Industrial		Residential	
	Residential Property	Commercial Property	Industrial Property	Other Property	Total Taxable Assessed Value				Number of permits	Value (1)	Number of permits	Value (1)
1997	\$ 378,758,062	\$ 31,904,285	\$ 6,979,204	\$ 1,759,727	\$ 419,401,278	0.4864	\$ 1,258,203,834	33.333%	6	279,000	295	49,039,294
1998	385,076,822	35,818,067	7,057,917	1,708,196	429,661,002	0.4883	1,288,983,006	33.333%	12	3,235,000	336	43,758,279
1999	412,238,060	42,123,208	7,057,714	1,739,868	463,158,850	0.4942	1,389,476,550	33.333%	9	6,033,910	441	65,710,113
2000	452,961,962	51,208,983	7,442,312	1,971,624	513,584,881	0.4888	1,540,754,643	33.333%	6	4,225,000	376	56,455,123
2001	506,639,288	62,111,310	7,824,176	1,552,693	578,127,467	0.5017	1,734,382,401	33.333%	20	13,573,617	596	82,626,545
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	0.4650	3,116,974,707	33.333%	20	41,819,250	113	20,806,545

Data Source

Office of the County Clerks and Township Assessors

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 Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Village Direct Rates										
General Corporate	\$ 0.4864	\$ 0.4883	\$ 0.4942	\$ 0.4888	\$ 0.5017	\$ 0.4559	\$ 0.4837	\$ 0.4765	\$ 0.4641	\$ 0.4642
Overlapping Rates										
Fire Districts (4)	1.7919	1.7775	1.8356	2.1062	2.0794	2.1951	2.0966	2.1202	2.0788	2.1485
Kane County	0.4972	0.4912	0.4772	0.4677	0.4529	0.4292	0.3578	0.3467	0.3367	0.3452
Kane County Forest Preserve	0.1183	0.1171	0.1985	0.1634	0.1520	0.1395	0.1270	0.1432	0.1905	0.1747
McHenry County	0.6628	0.6531	0.6482	0.6440	0.6380	0.6725	0.7153	0.7346	0.7278	0.7060
McHenry County Conservation	0.1323	0.1309	0.1282	0.1254	0.1808	0.1734	0.1663	0.1580	0.1490	0.1425
Park Districts (3)	0.7940	0.7728	0.7623	0.8198	0.7403	0.6960	0.7603	0.7577	0.7313	0.7121
Public Libraries (3)	0.6438	0.7004	0.7116	0.7017	0.7244	0.7484	0.7199	0.7104	0.6675	0.8695
Road & Bridge (3)	0.3447	0.3310	0.3162	0.3008	0.2898	0.2769	0.2587	0.2439	0.2335	0.2281
Schools (4)	13.3304	13.3086	13.2503	9.3110	9.5809	9.1332	8.6983	8.9773	9.0626	8.7973
Townships (3)	0.3561	0.3485	0.3425	0.3425	0.3341	0.3217	0.3051	0.2899	0.2753	0.2411

#### 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 Three Years Ago

Taxpayer	2006			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	\$ 29,609,792	1	3.13%	\$ 4,092,499	3	0.62%
Rubloff Oakridge Algonquin LLC	8,696,611	2	0.92%	-	-	0.00%
Meijer Stores LTD Partnership	5,541,600	3	0.59%	5,184,463	2	0.79%
Target Corporation	4,468,118	4	0.47%	3,983,003	4	0.61%
Wal-Mart Real Estate	4,161,609	5	0.44%	3,691,297	7	0.56%
LTF USA Real Estate LLC	3,775,718	6	0.40%	3,832,384	6	0.58%
HD Development of Md Inc.	3,469,648	7	0.37%	3,092,940	8	0.47%
Nickels Quarters LLC	3,010,990	8	0.32%	-	-	0.00%
RPA Shopping Center Ph. 1 LLC	2,999,700	9	0.32%	3,050,000	-	0.46%
Algonquin State Bank	2,476,718	10	0.26%	-	-	0.00%
Woods creek Shopping Center	-	-	0.00%	7,752,396	1	1.18%
River Point Shopping Center	-	-	0.00%	3,966,659	5	0.60%
Algonquin Towne Center	-	-	0.00%	2,849,662	9	0.43%
Golf Club of Illinois	-	-	0.00%	2,173,217	10	0.33%
	<u>\$ 68,210,504</u>		<u>7.20%</u>	<u>\$ 43,668,520</u>		<u>4.09%</u>

### Data Source

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 Levied	Collected within the Fiscal Year after the Levy	
		Amount	Percentage of Levy
1997	\$ 1,873,385	\$ 1,926,305	102.82%
1998	2,098,213	2,097,328	99.96%
1999	2,280,130	2,276,679	99.85%
2000	2,350,739	2,504,053	106.52%
2001	2,870,821	2,865,875	99.83%
2002	3,031,293	3,028,404	99.90%
2003	3,613,946	3,611,296	99.93%
2004	3,975,083	3,967,470	99.81%
2005	4,395,747	4,398,561	100.06%
2006	4,831,368	N/A	N/A

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 prior tax years are unavailable from the Counties.

Village of Algonquin, Illinois

Sales Tax Base and Number of Principal Payers

Taxable Sales by Category

Last Ten Calendar Years

	Calendar Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Merchandise	\$ 11,827	\$ 394	\$ -	\$ -	\$ -	\$ -	\$ 137,617	\$ 1,058,941	\$ 1,040,830	\$ 1,134,546
Food	493,499	503,429	541,246	640,038	852,672	1,175,490	1,355,084	541,265	494,863	668,337
Drinking and Eating Places	156,148	171,132	186,363	206,762	241,338	294,464	326,706	380,648	573,544	625,786
Apparel	2,032	1,226	-	-	1,195	-	7,293	125,721	490,072	549,577
Furniture & H.H. & Radio	48,762	28,147	27,877	29,778	30,980	26,155	43,667	119,671	423,118	629,713
Lumber, Building, Hardware	118,741	28,579	45,088	319,595	326,660	340,652	369,377	349,357	313,334	324,388
Automobile and Filling Stations	172,570	110,888	117,587	137,134	133,934	165,283	305,002	980,034	1,067,088	1,110,196
Drugs and Miscellaneous Retail	209,774	237,164	250,054	268,698	311,220	301,959	316,753	391,772	587,094	775,525
Agriculture and All Others	47,658	154,776	174,389	161,648	194,278	206,661	121,758	142,410	165,951	184,814
Manufacturers	7,117	93,815	98,227	102,916	118,557	99,685	129,754	141,810	135,846	116,495
Total	\$ 1,268,127	\$ 1,329,551	\$ 1,440,842	\$ 1,866,569	\$ 2,210,834	\$ 2,618,726	\$ 3,308,709	\$ 4,057,929	\$ 5,291,741	\$ 6,119,377
Total Number of Payers	624	663	585	560	580	700	674	770	906	944
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%	0.00%	0.00%	0.00%	0.00%	0.00%	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
1998	1.00%	5.50%
1999	1.00%	5.50%
2000	1.00%	5.50%
2001	1.00%	5.50%
2002	1.00%	5.50%
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%

#### 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			
1998	\$ 4,130,000	\$ -	\$ -	\$ 4,700,000	\$ 8,830,000	2.11%	\$ 412.33
1999	4,080,000	-	-	4,470,000	8,550,000	1.90%	382.62
2000	3,820,000	-	-	4,230,000	8,050,000	1.74%	345.85
2001	3,520,000	-	-	3,975,000	7,495,000	1.46%	304.06
2002	8,078,794	-	2,295,000	1,520,000	11,893,794	2.06%	441.25
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

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 Available In Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita	
1998	\$ 4,130,000	\$ 484,695	\$ 3,645,305	0.87%	\$ 170.22	1
1999	4,080,000	466,763	3,613,237	0.84%	161.70	3
2000	3,820,000	498,407	3,321,593	0.72%	142.70	2
2001	3,520,000	537,517	2,982,483	0.58%	120.99	3
2002	10,373,794	582,010	9,791,784	1.69%	363.26	3
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

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, 2007

Governmental unit	Gross Debt	Percentage Debt Applicable to the Village of Algonquin*	Village of Algonquin Share of Debt
Kane County	\$ 77,665,000	1.98%	\$ 1,537,767
McHenry County (3)	1,275,598	8.21%	104,727
McHenry County Conservation District	83,366,000	8.21%	6,844,349
Kane County Forest Preserve	177,590,866	1.98%	3,516,299
Dundee Township Park District	12,241,180	15.550%	1,903,503
Huntley Park District	23,530,000	10.06%	2,367,118
Dundee Township	31,050,000	15.56%	4,831,380
Algonquin Library	6,825,000	62.99%	4,299,068
Huntley Library	3,670,000	4.34%	159,278
Schools			
District No. 300	165,802,102	28.39%	47,071,217
District No. 158	81,973,537	10.59%	8,680,998
District No. 509	52,210,386	7.61%	3,973,210
District No. 528	280,000	1.51%	4,228
Subtotal, overlapping debt	717,479,669		85,293,141
Village of Algonquin direct debt	\$ 20,548,722	100.00%	\$ 20,548,722
Total direct and overlapping debt	\$ 738,028,391		\$ 105,841,863

\* 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, 2007

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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			
1998	\$	2,621,736	\$	1,616,241	\$	215,000	\$	298,680	1.96
1999		2,821,141		2,092,659		230,000		285,051	1.41
2000		6,646,384		2,619,406		240,000		270,125	7.89
2001		7,745,259		2,997,515		255,000		254,300	9.32
2002		8,750,460		3,165,383		310,000		148,775	12.17
2003		8,398,757		3,285,507		210,000		49,610	19.70
2004		7,157,358		3,423,976		215,000		43,730	14.43
2005		8,706,761		3,908,619		205,000		37,710	19.77
2006		7,701,740		3,732,996		210,000		31,560	16.43
2007		8,917,226		4,029,257		210,000		24,946	20.80

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	
1997	20,211	(E)	\$	419,401,278	\$	20,751	2.2%
1998	21,415	(A)		429,661,002		20,064	2.2%
1999	22,346	(E)		463,158,850		20,727	2.0%
2000	23,276	(A)		513,584,881		22,065	2.1%
2001	24,650	(E)		578,127,467		23,453	3.8%
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%

Note: 2006 information is not yet available

(A) Actual

(E) Estimate

Note: Personal Income data not available

## Village of Algonquin, Illinois

### Principal Employers

#### Current Year and Nine Years Ago

Employer	2006			1998		
	Employees	Rank	% of Total Village Population	Employees	Rank	% of Total Village Population
Crystal Die and Mold, Inc.	160	1	1.02%	120	5	1.92%
Kenmode Tool and Engineering, Inc.	160	2	1.02%	125	4	2.00%
Village of Algonquin	144	3	0.92%	95	7	1.52%
Wauconda Tool and Engineering, Inc.	135	4	0.86%	130	3	2.08%
Meyer Material Co.	100	5	0.64%	30	10	0.48%
Duro-Life Corp.	80	6	0.51%	115	6	1.84%
Schiffmayer Plastics Corp.	75	7	0.48%	200	2	3.21%
Target Manufacturing Inc.	50	8	0.32%	-	-	0.00%
Algonquin State Bank	50	9	0.32%	50	8	0.80%
Burnex Corp.	30	10	0.19%	-	-	0.00%
School District Number 300*	-	-	-	285	1	4.57%
Grecon Manufacturing Inc.	-	-	-	40	9	0.64%

#### Data Source

\* Only schools located in the Village of Algonquin

1998 Illinois Manufacturing Directory, 1998 Illinois Services Directory, 2005 Illinois Manufacturing Directory,  
Spear Financial

## Village of Algonquin, Illinois

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

Full-Time-Equivalent Employees as of April 30										
Function/Program	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Government										
Administration	11	10	9	14	13	15	15	16	17	18
Community Development	8	9	8	10	11	11	11	10	12	12
Public Safety										
Police										
Officers	31	35	37	38	40	41	41	42	46	46
Civilians	9	8	11	10	12	14	14	14	7	7
Public Works										
Public Works Administration	6	8	6	9	7	7	7	8	9	9
Streets Department	8	8	9	10	12	12	12	13	14	14
Parks	7	7	7	9	12	12	13	13	14	14
Vehicle Maintenance	0	0	0	0	3	4	5	4	5	5
Water										
Water and Sewer	13	11	16	17	18	19	20	20	20	19
Total	93	96	103	117	128	135	138	140	144	144

### Data Source

Village Finance Department

Note: 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.

Village of Algonquin, Illinois

Operating Indicators

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Government										
Community Development										
Building permits issued	N/A	N/A	N/A	N/A	1,703	2,043	2,028	2,403	1,913	2,065
Building inspections conducted	N/A	N/A	N/A	N/A	15,600	9,800	9,911	12,414	9,463	6,517
Property maintenance inspections conducted	N/A	N/A	N/A	N/A	1,040	954	1,165	1,219	1,943	2,688
Public Safety										
Police										
Physical arrests	984	1,131	1,230	1,100	987	1,015	776	786	279	946
Parking violations	N/A	N/A	N/A	793	617	1,320	576	869	548	1,142
Traffic violations	4,548	4,446	5,201	5,304	8,078	9,237	5,940	6,075	2,057	6,394
Public Works										
Streets										
Street resurfacing (miles)	3.74	2.34	1.44	1.33	6.24	1.45	5.60	0.67	1.12	0.80
Potholes repaired	425	375	360	340	325	270	300	280	210	330
Parks and Recreation										
Park sites	13	14	15	16	17	18	19	20	20	21
Developed park acreage	14	141	184	185	199	234	247	251	251	253
Open space	137.9	144	149	154	154	197	273	273	273	273
Water										
New Connections (tap-ons)	N/A	N/A	N/A	N/A	632	296	365	440	400	400
Average daily consumption*	2000	2,000	2,500	2,900	2,740	2,930	2,810	2,808	3,003	2,899
Peak daily consumption*	2700	2,500	4,200	4,000	6,342	6,154	4,443	4,895	5,610	4,679
Wastewater										
Average daily sewage treatment**	2.2	2	2	2	2	2	3	3	3	3.2

\* (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									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Geographic Patrol Areas	4	5	5	5	5	5	5	5	6	6
Public Works										
Streets										
Streets (miles)	N/A	N/A	N/A	N/A	N/A	N/A	200	248	248	249
Streetlights	48	48	48	58	100	130	130	160	160	228
Parks and Recreation										
Acreage	252	285	333	339	353	431	520	524	524	526
Playgrounds	10	11	11	12	13	14	15	16	16	17
Sites with baseball diamonds	7	7	7	7	8	9	9	9	9	9
Sites with soccer fields	6	7	8	8	9	10	10	11	11	11
Sites with basketball courts	7	8	8	9	10	11	12	13	13	13
Sites with tennis courts	3	30	3	3	4	4	4	4	4	4
Water										
Water mains (miles)	N/A	N/A	N/A	N/A	N/A	102	130	150	160	168
Fire hydrants	N/A	N/A	N/A	N/A	N/A	1,573	1,650	2,050	2,180	2,200
Storage capacity*	2.640	2.640	2.640	2.640	2.640	2.640	2.640	2.640	3.390	3.390
Wastewater										
Sanitary sewers (miles)	N/A	N/A	N/A	N/A	N/A	99	112	127	135	135
Treatment capacity*	2.024	1.946	1.927	2.252	3.030	2.799	3.027	2.872	2.834	2.980

#### Data Source

Various village departments

\* (thousands of gallons)