

Village of Algonquin, Illinois

Comprehensive Annual Financial Report
Year Ended April 30, 2008

Village of Algonquin, Illinois

Comprehensive Annual Financial Report
Year Ended April 30, 2008

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, 2008

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Village of Algonquin, Illinois
Principal Officials

April 30, 2008

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 1, 2008

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, 2008, 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 2008 CAFR reflects the fifth 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, 2008, 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, 2008, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Village of Algonquin

The Village of Algonquin, a home rule community as defined by the Illinois Constitution, was incorporated in 1890 and is located approximately 45 miles northwest of the City of Chicago in McHenry and Kane Counties. Algonquin has a land area of 12 square miles and a population of 30,482 as certified in the 2007 partial 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 a partial census which was completed in the summer of 2007. The current population of 30,482 is an increase of 9.3% and increased our FY08 state shared revenues by approximately \$115,000 over a five month period. The Village has planned to increase the General Fund cash reserves from three months of operating expenses to six months. At the end of the fiscal year, the cash reserves were 3.9 months of operating expenses which will improve the ability of the Village to withstand future downturns in the economy. The Village recently initiated another cash reserve in the form of designated funds to smooth the periodic impact of purchasing high cost vehicles and equipment (other than squad cars). The funding amount at year end was \$.348 million.

The Village initiated plans for a Municipal Court where tickets, complaints or notices of violation of the Village of Algonquin Municipal Ordinance could be heard by an Administrative Law Judge. This should be beneficial to both our citizens and staff as trips to McHenry County will no longer be required in order to have an opportunity for a hearing.

An environmental initiative will result in the distribution of 5,000 free compact fluorescent light bulbs (CFLs) to Algonquin residents. These bulbs will use less energy and therefore produce less CO2 for the same amount of light.

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

Construction for the Phase 6A expansion of the Wastewater Treatment Plant continued as of April 30, 2008. Completion will increase the treatment process from 3 MGD to 5 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 experience in the local economy indicates an increase in the unemployment rate with a June 2008 report of 6.1% up from 3.9% last year. However, the rate continues to be better than that of the State of Illinois and McHenry County as indicated by unemployment rates of 7.1% and 6.6% respectively for June 2008. The statewide economy has favorably impacted Village finances as a major revenue source, state shared income tax, has continued to experience increases in the per capita distributions since FY06. This year, the increase in the per capita distribution rate was 8.7%. However, a mitigating factor is that 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 and this year's increase in shared sales tax collections was 4.6% in spite of a softening economy. Commercial growth in Algonquin continued with an increase of 10.3% in the assessed value of commercial property.

Debt Administration

As of April 30, 2008, the Village had seven outstanding debt issues, of which six were general obligation bonds. There were no new bonds issued this year. Outstanding were \$19,401,888 for general obligation bonds and \$225,000 for revenue bonds. Continuing its practice, the Village abated \$1,233,942.50 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 as of April 30, 2008 using the proceeds of Bond Series 2005A as a major portion of the financing. Bond Series 2005B was also issued with proceeds escrowed and paying interest costs until 2012 when Series 2002B will be called and paid off. In other financial action, the village completed the first full year of Home Rule Sales Tax of .75% which became effective July 1, 2006. The collections are 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, 2008, were 3.87%.

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, 2008, in funding 51.2% of the actuarial accrued liabilities. The actuarial valuation as reported in this report for FY2008, determined that the net contribution due from the Village is \$768,620. The remaining unfunded amount is being systematically funded over 25 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, 2007. This was the fourth 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.

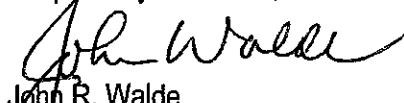
The Village also received the GFOA's Award for Distinguished Budget Presentation for its 2008 budget document. This was the fifth year the Village has received this prestigious award. In order to receive this award, a government must publish a budget document that meets program criteria as a policy document, 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 2008 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.

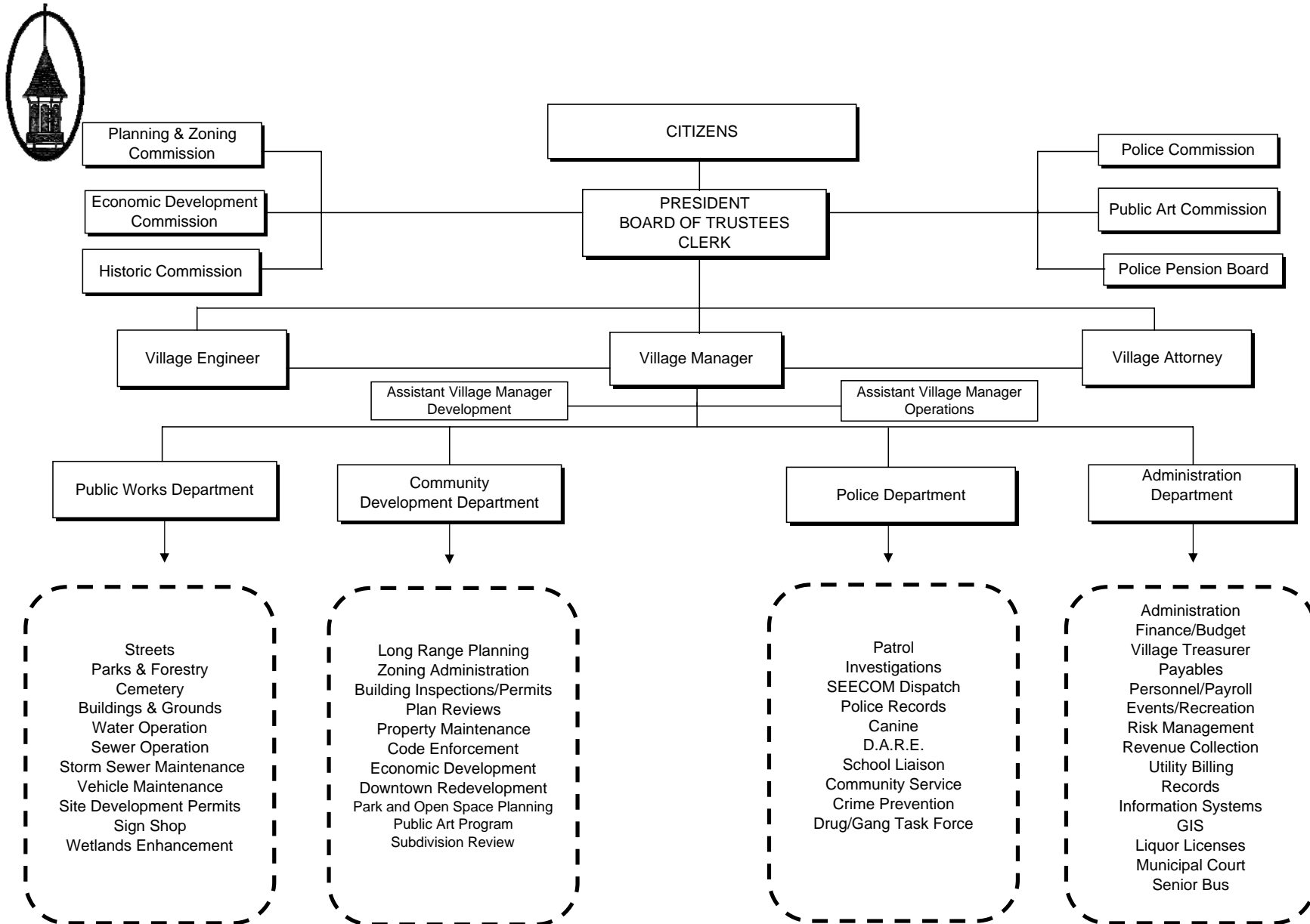
Respectfully submitted,



John R. Walde
Finance Director

VILLAGE OF ALGONQUIN

2008/2009 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, 2007.

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.



Oliver S. Cox

President

Jeffrey R. Emer

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, 2008, 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, 2008, 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 10, 2008

VILLAGE OF ALGONQUIN, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2008

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 \$3.7 million (or 1.4%) during the fiscal year ending April 30, 2008 (FY08). The governmental net assets increased by \$1.1 million (or 0.6% from FY07) and the business-type activities net assets increased by \$2.6 million (or 3.5% from FY07).
- The Village's total change of net assets compared to FY07 increased by \$1.8 million with the general governmental activities change in net assets increased by \$.6 million and the business-type activities change in net assets increased by \$1.2 million.
- The governmental activities revenue increased by \$.7 million (or 3.1%) due to an increase of \$.5 million in property tax and an increase of \$.6 million in income tax revenues. There was a \$.4 million decrease in program revenues. The expenses increased by \$.1 million (or .5%).
- The business-type activities revenue increased by \$1.3 million (or 14.6%) mainly due to a \$1.0 million increase from home rule sales tax. The expenses increased by \$.1 million (or 1.3%).
- The total cost of all Village programs increased by \$.2 million (or .7%).

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

GOVERNMENT-WIDE STATEMENTS

Statement of Net Assets

The Village's combined net assets increased by \$3.7 million from FY07 – increasing from \$270.9 million to \$274.6 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 \$1.1 million from \$196.3 million to \$197.4 million. The business-type activities net assets increased by \$2.6 million from \$74.6 million to \$77.2 million. Table 1 reflects the condensed Statement of Net Assets compared to FY07. Table 2 will focus on the changes in net assets of the governmental and business-type activities. A detailed analysis of the changes can be found in the section for Current Year Impacts on page 6.

Table 1
Statement of Net Assets
As of April 30, 2008 and 2007
(in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 22.6	\$ 21.7	\$ 5.0	\$ 10.2	\$ 27.6	\$ 24.4
Capital assets	190.9	190.8	84.5	78.5	275.4	208.1
Total assets	\$ 213.5	\$ 212.5	\$ 89.5	\$ 88.7	\$ 303.0	\$ 232.5
Long-term liabilities	8.8	9.1	10.0	10.4	18.8	10.1
Other liabilities	7.3	7.1	2.3	3.7	9.6	8.4
Total liabilities	\$ 16.1	\$ 16.2	\$ 12.3	\$ 14.1	\$ 28.4	\$ 18.5
Net Assets:						
Invested in capital assets, net of debt	\$ 185.5	\$ 181.3	\$ 74.1	\$ 67.7	\$ 259.6	\$ 249.0
Restricted	5.6	6.5	0.8	0.8	6.4	7.3
Unrestricted	6.3	8.5	2.3	6.1	8.6	14.6
Total net assets	\$ 197.4	\$ 196.3	\$ 77.2	\$ 74.6	\$ 274.6	\$ 270.9

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 \$3.7 million increase of combined net assets (which is the Village's bottom line) was the result of the governmental activities net assets increasing by \$1.1 million and the business-type activities increasing by \$2.6 million.

The governmental activities total assets increased by \$1.0 million and the governmental activities total liabilities decreased \$.1 million. The total assets increase of \$1.0 million was a result of an increase of \$.9 million in current and other assets and an increase of \$.1 million of capital assets. Current assets increased \$.9 million in cash and investments resulting from \$.8 million in higher revenues due to strength in the state shared revenues of sales tax and income tax and \$.4 million in additional property taxes (assessed valuation in the Village increased by 7.4%). There was a decrease of \$.2 million in home rule sales tax due to a reallocation of those receipts to the water & sewer construction fund. Capital assets increased by \$.1 million as the Village had an increase of \$1.8 million in other improvements, \$1.3 million in land, and \$.4 million in vehicles and equipment. There was a decrease in streets, storm and bridge improvements of \$2.2 million, construction in progress of \$.8 million, and \$.3 million in buildings due to depreciation.

There was a slight decrease in total liabilities of \$.1 million from \$16.2 to \$16.1 million. The total liabilities decrease was a result of an increase in current liabilities of \$.2 million and a decrease in total noncurrent liabilities of \$.3 million. The increase in current liabilities was mainly due to a \$.4 increase in unearned revenue for property tax along with a \$.1 million decrease in accounts payable and a \$.1 million decrease in current general obligation bonds payable. The decrease in noncurrent liabilities of \$.3 million is due to a reduction in noncurrent general obligation bonds payable.

VILLAGE OF ALGONQUIN, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
April 30, 2008

The net assets of the business-type activities increased by \$2.6 million from \$74.6 to \$77.2 million. Total assets of the business-type activities increased by \$.8 million from \$88.7 to \$89.5 million. The total assets increase of \$.8 million was a result of a decrease in current assets of \$5.2 million and an increase in capital assets of \$6.0 million. Construction payments reduced current assets while increasing capital assets. The home rule sales tax softened the reduction in current assets. The capital assets increase includes \$9.0 million for construction of the wastewater treatment plant expansion. This was offset by a \$2.5 million decrease in water and sewer system improvements due to an increase in depreciation expense.

Total liabilities of the business-type activities decreased by \$1.8 million from \$14.1 million to \$12.3 million. Accounts payable decreased \$1.5 million from FY07 due to the fact that the current phase of construction for the wastewater treatment plant is nearing completion. Long term liabilities decreased by \$.4 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, 2008 and 2007
(in millions)

Revenue	Governmental Activities		Business-Type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
Program Revenues						
Charges for Service	\$ 2.1	\$ 2.3	\$ 5.6	\$ 5.6	\$ 7.7	\$ 7.9
Operating Grants/Contributions	1.1	1.2	-	-	1.1	1.2
Capital Grants/Contributions	1.5	1.6	0.5	-	2.0	1.6
General Revenue						
Property	5.2	4.7	-	-	5.2	4.7
Other taxes	11.8	11.2	3.6	2.6	15.4	13.8
Other	1.0	1.0	0.5	0.7	1.5	1.7
Total Revenue	22.7	22.0	10.2	8.9	32.9	30.9
Expenses						
Governmental Activities						
General Government	4.4	7.5	-	-	4.4	7.5
Public Safety	7.0	6.0	-	-	7.0	6.0
Public Works	9.8	7.6	-	-	9.8	7.6
Interest	0.4	0.4	-	-	0.4	0.4
Business Type						
Water and Sewer	-	-	7.6	7.5	7.6	7.5
Total Expenses	21.6	21.5	7.6	7.5	29.2	29.0
Change in Net Assets	1.1	0.5	2.6	1.4	3.7	1.9
Net assets - beginning	196.3	195.8	74.6	73.2	270.9	269.0
Net assets - ending	\$ 197.4	\$ 196.3	\$ 77.2	\$ 74.6	\$ 274.6	\$ 270.9

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 increased \$.7 million from \$22.0 million to \$22.7 million. An increase in property tax revenues of \$.5 million and other taxes of \$.6 million attributed to the increase in total revenues. These increases were offset with a decrease of \$.2 million in charges for services, \$.1 million in operating contributions and \$.1 million in capital contributions.

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 assessed valuation increased 7.4% and the tax rate was stable. The Village attempts to maintain its property tax rate and capture new revenues from growth. The Village's property tax rate was .465 in 2006 and .470 in 2007.

VILLAGE OF ALGONQUIN, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
April 30, 2008

State shared sales tax revenues increased \$.287 million (4.6%) as the Village continued to expand its economic base with additional retail store openings. State shared income tax revenues increased \$.7 million (23.9%) due to a year-to-year increase of 8.7% in the State's per capita allocation to local government and a higher population for a partial census.

Building permits decreased by \$.1 million due, in part, to a decrease in residential permits.

Capital contributions decreased by \$.1 million from \$1.6 million to \$1.5. Infrastructure assets contributed by development has continued to decline due to the slow down of commercial and residential development.

Expenses:

The Village's governmental activities total expenses did not have a significant change. Total expenses remained at \$21.5 million for FY08.

The Village's General Government function expenses decreased \$3.1 million from \$7.5 to \$4.4 million. The significant decrease was due to a \$2.6 million loss on the deletion of street and land capital assets in FY07 that was not required in FY08.

Public Safety expenses increased \$1.0 million from \$6.0 to \$7.0 million as the Village had a \$.4 million increase in personnel and a \$.1 million increase in contractual services. There was a \$.4 million one time actuarial adjustment to the net pension obligation in FY07. This reduced the total expenses on the government statement of activities in FY07.

Public Works expenses had increased \$2.2 million from \$7.6 million to \$9.8 million. MFT expenses increased \$.7 million due to an increase in street rehabilitation projects. The street improvement fund expenses increased \$.7 million due to an increase in street projects. In the general fund, there was a \$.3 increase due mainly to a \$.1 million increase to salaries and a \$.2 million increase capital outlay. The Park Fund expenses decreased \$.3 million due to the fact that many of the park projects are nearing completion lowering the payables for FYE08.

Business-type Activities

Revenue:

Total revenues for Business-type Activities increased \$1.3 million from \$8.9 to \$10.2 million. Charges for services did not have a significant change. Capital contributions increased \$.5 million due to an increase in developer contributions for offsite improvements and recaptures. Home rule sales tax increased \$1.0 million due to a full year of collections versus seven months in FY07. Other general revenues decreased \$.2 million.

Expenses:

The Village's Business-type Activities total expenses increased \$.1 million from \$7.5 to \$7.6 million. Water and sewer utility operating expenses increased by \$.2 million. Interest expense and fiscal agent fees decreased by \$.1 million. Depreciation expense had no material change.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Governmental Funds

At April 30, 2008, the governmental funds (as presented on the balance sheet on page 18) reported a combined fund balance of \$15.8 million or an increase of 4.6% from \$15.1 million at the beginning of the year. Of the total fund balance, \$10.0 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 \$1.2 million in total assets. This consisted of a \$.4 million increase in investments, a \$.4 million increase in property tax receivable, and a \$.4 million increase in total liabilities due to an increase in deferred revenue for property tax. The primary reason for the increase in total assets was due to amounts budgeted for a working cash reserve and a vehicle replacement reserve of approximately \$1 million.

General Fund Budgetary Highlights

Below is a table that reflects the budget and the actual revenues and expenditures for the General Fund. More information can be found on the schedule of revenues, expenditures and changes in fund balance – budget and actual on page 52. Actual spending was \$1.0 million less than the budget which was due to contingencies.

Table 3
General Fund Budgetary Highlights
(in millions)

General Fund	Original Budget	Amended Budget	Actual
Revenues			
Taxes	\$ 15.600	\$ 15.600	\$ 15.800
Intergovernmental	0.100	0.100	0.200
Other	2.400	2.400	2.100
Total	18.100	18.100	18.100
Expenditures and Transfers			
Expenditures	17.500	17.500	16.000
Transfers	0.600	0.600	1.100
Total	18.100	18.100	17.100
Change in Fund Balance	\$ -	\$ -	\$ 1.000

VILLAGE OF ALGONQUIN, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
April 30, 2008

Capital Assets

At the end of fiscal year 2008, the Village had a combined total of capital assets of \$275.46 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 \$6.17 million.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
Land	\$ 101.03	\$ 99.72	\$ 10.04	\$ 10.04	\$ 111.07	\$ 109.76
Construction in Progress	1.59	2.34	17.50	8.67	19.09	11.01
Buildings	13.14	13.46	11.61	11.89	24.75	25.35
Vehicles and Equipment	2.32	1.90	0.41	0.49	2.73	2.39
Improvements other than Building	8.23	6.47	-	-	8.23	6.47
Streets/Storm Sewers/ Bridges	64.62	66.85	-	-	64.62	66.85
Water and Sewer	-	-	44.97	47.46	44.97	47.46
Total	\$ 190.93	\$ 190.74	\$ 84.53	\$ 78.55	\$ 275.46	\$ 269.29

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

Table 5
Change in Capital Assets
(in millions)

	Governmental Activities	Business-Type Activities	Total
Beginning Balance	\$ 190.74	\$ 78.55	\$ 269.29
Additions			
Depreciable	3.46	0.07	3.53
Non-Depreciation	1.32	-	1.32
Construction in Progress	1.31	8.82	10.13
Retirements			-
Depreciable	(0.44)	(0.04)	(0.48)
Non-Depreciation	-	-	-
Construction in Progress	(2.06)		(2.06)
Depreciation	(3.73)	(2.91)	(6.64)
Retirement	0.33	0.04	0.37
Ending Balance	\$ 190.93	\$ 84.53	\$ 275.46

The Governmental Activities net increase of \$.2 million in net Capital Assets was due to increases noted in land (\$1.3 million); other improvements (\$1.8 million) and vehicles and equipment (\$.4 million). This was offset with a reduction in streets and storm sewers (\$2.2 million); construction in progress (\$.8 million); and buildings (\$.3 million).

The Business-type Activities increase of \$6.0 million net Capital Assets was primarily from the construction of Village projects. The Village projects include a wastewater treatment plant expansion as well as other minor additions. Construction in progress increased \$8.8 million from the additions for the wastewater treatment plant which was offset by a decrease in water and sewer improvements of \$2.5 million and a decrease in buildings of \$.3 million due mainly to depreciation of \$.28 million.

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 (Continued)
April 30, 2008

The Village currently has six general obligation bond series and one revenue bond series outstanding. A total of \$19.401 million of general obligation bonds and \$.225 million of revenue bonds were outstanding at April 30, 2008. Four 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 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 until FY06. State shared allocations have increased approximately 36% during the last three years. That said, state distributions to local government continue to be late. Current estimates, however, indicate that the 2009 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.

The local housing market is slow as indicated by declining permits for commercial and residential construction. 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 30,482 reported in the 2007 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, 2008

	Governmental Activities	Business-Type Activities	Total
Assets			
Current			
Cash and cash equivalents	\$ 8,587,180	\$ 2,168,563	\$ 10,755,743
Investments	5,353,151	110,000	5,463,151
Receivables			
Property taxes	5,244,824	-	5,244,824
Other taxes	2,767,357	-	2,767,357
Intergovernmental	68,236	-	68,236
Accounts	-	1,430,926	1,430,926
Accrued interest	50,302	44	50,346
Other	281,306	69,800	351,106
Inventory	126,000	-	126,000
Prepaid items	99,479	22,545	122,024
Restricted assets			
Cash and cash equivalents	-	9,364	9,364
Investments	-	1,129,000	1,129,000
Accrued interest receivable	-	672	672
Total current assets	22,577,835	4,940,914	27,518,749
Noncurrent			
Net pension asset	22,730	-	22,730
Capital assets (net of accumulated depreciation)			
Land	101,034,823	10,035,522	111,070,345
Construction in progress	1,588,815	17,504,461	19,093,276
Water and sewer system	-	44,968,592	44,968,592
Buildings	13,138,506	11,613,861	24,752,367
Improvements other than buildings	8,225,737	-	8,225,737
Vehicles and equipment	2,318,503	413,836	2,732,339
Streets/storm sewers/bridges	64,618,233	-	64,618,233
Total capital assets (net)	190,924,617	84,536,272	275,460,889
Total noncurrent assets	190,947,347	84,536,272	275,483,619
Total assets	\$ 213,525,182	\$ 89,477,186	\$ 303,002,368

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Net Assets - Continued
April 30, 2008

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current			
Accounts payable	\$ 670,768	\$ 1,718,394	\$ 2,389,162
Accrued interest	23,387	35,657	59,044
Unearned revenue - property tax	5,244,824	-	5,244,824
Unearned revenue - other	270,393	-	270,393
Other liabilities	859	-	859
Compensated absences	621,658	95,381	717,039
Capital lease	11,600	-	11,600
General obligation bonds payable	440,000	215,000	655,000
Revenue bonds payable	-	209,244	209,244
Total current liabilities	7,283,489	2,273,676	9,557,165
Noncurrent			
Compensated absences payable	309,021	32,413	341,434
General obligation bonds payable, net	8,526,865	10,012,177	18,539,042
Total noncurrent liabilities	8,835,886	10,044,590	18,880,476
Total liabilities	16,119,375	12,318,266	28,437,641
Net Assets			
Invested in capital assets, net of related debt	185,504,246	74,099,851	259,604,097
Restricted for			
Donor programs	904,723	-	904,723
Cemetery purposes	237,179	-	237,179
Grant programs	988,617	-	988,617
Revenue bonds and debt service	3,449,882	804,588	4,254,470
Other	35,109	-	35,109
Unrestricted	6,286,051	2,254,481	8,540,532
Total net assets	\$ 197,405,807	\$ 77,158,920	\$ 274,564,727

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Activities
Year Ended April 30, 2008

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 4,378,364	\$ 1,266,281	\$ 56,437	\$ 3,300
Public safety	6,987,936	715,082	111,992	-
Public works	9,844,829	78,279	987,661	1,484,248
Interest expense	378,502	-	-	-
Total governmental activities	21,589,631	2,059,642	1,156,090	1,487,548
Business-type activities				
Water and sewer	7,600,797	5,602,144	54,641	465,381
Total	<u>\$ 29,190,428</u>	<u>\$ 7,661,786</u>	<u>\$ 1,210,731</u>	<u>\$ 1,952,929</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
\$ (3,052,346)	\$ -	\$ (3,052,346)
(6,160,862)	-	(6,160,862)
(7,294,641)	-	(7,294,641)
(378,502)	-	(378,502)
(16,886,351)	-	(16,886,351)
-	(1,478,631)	(1,478,631)
(16,886,351)	(1,478,631)	(18,364,982)
5,168,603	-	5,168,603
68,597	-	68,597
80,896	3,567,652	3,648,548
1,023,062	-	1,023,062
754,140	-	754,140
77,261	-	77,261
6,429,411	-	6,429,411
3,426,760	-	3,426,760
400,048	-	400,048
601,941	230,995	832,936
15,411	258,212	273,623
18,046,130	4,056,859	22,102,989
1,159,779	2,578,228	3,738,007
196,246,028	74,580,692	270,826,720
\$ 197,405,807	\$ 77,158,920	\$ 274,564,727

Village of Algonquin, Illinois

Balance Sheet - Governmental Funds
April 30, 2008

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 4,986,283	\$ 3,562,736	\$ 8,549,019
Investments	625,000	4,728,151	5,353,151
Receivables			
Property taxes	5,244,824	-	5,244,824
Other taxes	2,597,575	169,782	2,767,357
Intergovernmental	-	68,236	68,236
Accrued interest	15,632	34,670	50,302
Other	132,247	137,483	269,730
Due from other funds	300,000	-	300,000
Prepaid items	93,164	-	93,164
Total assets	<u>\$ 13,994,725</u>	<u>\$ 8,701,058</u>	<u>\$ 22,695,783</u>
Liabilities			
Accounts payable	\$ 324,969	\$ 251,911	\$ 576,880
Deferred revenues - property tax	5,244,824	-	5,244,824
Deferred revenues - other	684,566	140,827	825,393
Due to other funds	-	300,000	300,000
Other liabilities	859	-	859
Total liabilities	<u>6,255,218</u>	<u>692,738</u>	<u>6,947,956</u>
Fund Balances			
Reserved for			
Prepaid items	93,164	-	93,164
Donor programs	-	904,723	904,723
Cemetery acquisition and perpetual care	-	237,179	237,179
Grant programs	-	988,617	988,617
Debt service	-	3,449,882	3,449,882
Other	35,109	-	35,109
Unreserved - designated	370,413	-	370,413
Unreserved			
General fund	7,240,821	-	7,240,821
Special revenue funds	-	2,347,141	2,347,141
Capital projects funds	-	80,778	80,778
Total fund balances	<u>7,739,507</u>	<u>8,008,320</u>	<u>15,747,827</u>
Total liabilities and fund balances	<u>\$ 13,994,725</u>	<u>\$ 8,701,058</u>	<u>\$ 22,695,783</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, 2008**

Total fund balances-governmental funds	\$ 15,747,827
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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.	190,924,617
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Revenues in the Statement of Activities that do not provide current financial resources are deferred in the funds.	555,000
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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
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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	(23,387)
Compensated absences	(930,679)
Unamortized bond discount	50,023
Net pension asset	22,730
Capital lease	(11,600)
General obligation bonds payable	(9,016,888)

Net assets of governmental activities	<u>\$ 197,405,807</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, 2008**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Charges for services	\$ 542,814	\$ 153,251	\$ 696,065
Licenses and permits	716,764	-	716,764
Intergovernmental, grants and contributions	213,957	1,114,548	1,328,505
Fines, fees and forfeitures	567,449	48,000	615,449
Property taxes	5,168,603	-	5,168,603
Other taxes	10,603,434	1,745,742	12,349,176
Interest	267,882	334,060	601,942
Miscellaneous	43,641	31,153	74,794
Total revenues	18,124,544	3,426,754	21,551,298
Expenditures			
Current			
General government	3,747,329	271,501	4,018,830
Public safety	6,784,724	-	6,784,724
Public works	4,308,850	2,300,206	6,609,056
Debt service			
Principal	187,355	410,000	597,355
Interest and fiscal charges	7,744	299,448	307,192
Capital outlay	964,498	1,551,546	2,516,044
Total expenditures	16,000,500	4,832,701	20,833,201
Excess (deficiency) of revenues over expenditures	2,124,044	(1,405,947)	718,097
Other financing sources (uses)			
Transfers in	3,000	1,047,798	1,050,798
Transfers out	(1,082,798)	(3,000)	(1,085,798)
Total other financing sources (uses)	(1,079,798)	1,044,798	(35,000)
Net change in fund balances	1,044,246	(361,149)	683,097
Fund balances - beginning	6,695,261	8,369,469	15,064,730
Fund balances - ending	\$ 7,739,507	\$ 8,008,320	\$ 15,747,827

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, 2008

Net change in fund balances-total governmental funds	\$	683,097
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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 outlay in the current period. (\$2,707,635 current additions less \$3,727,153 depreciation.)

	(1,019,518)
--	-------------

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	(89,000)
Contributions of capital assets	1,315,125

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	597,355
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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	827
Increase in compensated absences	(141,887)
Loss on sales of capital assets	(114,910)
Decrease in accrued interest	41,263
Interest accreted on capital appreciation debt	(117,121)
Amortization of bond discount and issuance costs	4,548

Change in net assets of governmental activities	\$	<u>1,159,779</u>
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See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Net Assets - Proprietary Funds

April 30, 2008

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service Funds
Assets		
Current		
Cash and cash equivalents	\$ 2,168,563	\$ 38,161
Investments	110,000	-
Receivables		
Accounts	1,430,926	11,576
Interest	44	-
Miscellaneous	69,800	-
Inventory	-	126,000
Prepaid items	22,545	6,315
Restricted assets		
Cash and cash equivalents	9,364	-
Investments	1,129,000	-
Accrued interest	672	-
Total current assets	4,940,914	182,052
Capital assets (net of accumulated depreciation)		
Land	10,035,522	-
Construction in progress	17,504,461	-
Water and sewer system	44,968,592	-
Buildings	11,613,861	-
Machinery and equipment	413,836	-
Total noncurrent assets	84,536,272	-
Total assets	\$ 89,477,186	\$ 182,052

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Net Assets - Proprietary Funds - Continued
April 30, 2008

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service Funds
Liabilities		
Current		
Accounts payable	\$ 1,718,394	\$ 93,888
Accrued interest	35,657	-
Compensated absences	95,381	-
General obligation bonds payable	215,000	-
Revenue bonds payable	209,244	-
Total current liabilities	2,273,676	93,888
Noncurrent		
Compensated absences payable	32,413	-
General obligation bonds payable	10,012,177	-
Total noncurrent liabilities	10,044,590	-
Total liabilities	12,318,266	93,888
Net Assets		
Invested in capital assets, net of related debt	74,099,851	-
Restricted - revenue bond covenants	804,588	-
Unrestricted	2,254,481	88,164
Total net assets	\$ 77,158,920	\$ 88,164

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds
Year Ended April 30, 2008

	Business-Type Activities Waterworks and Sewerage Fund	Governmental Activities Internal Service Funds
Operating revenues		
Charges for services		
Water and sewer revenue	\$ 4,480,102	\$ -
Meter sales	29,900	-
Connection fees	950,000	-
Administration fee	76,737	-
Maintenance billings	-	1,576,728
Miscellaneous	65,405	557
Total operating revenues	5,602,144	1,577,285
Operating expenses excluding depreciation	4,219,823	1,612,285
Operating income (loss) before depreciation	1,382,321	(35,000)
Depreciation	2,910,577	-
Operating loss	(1,528,256)	(35,000)
Nonoperating revenues (expenses)		
Home rule sales tax	3,567,652	-
Insurance proceeds	258,212	-
Contributions - developers	54,641	-
Interest income	230,995	-
Interest expense and fiscal agent fees	(470,397)	-
Total nonoperating revenues (expenses)	3,641,103	-
Income (loss) before transfers and capital contributions	2,112,847	(35,000)
Transfers in	-	35,000
Capital contributions	465,381	-
Change in net assets	2,578,228	-
Net assets - beginning	74,580,692	88,164
Net assets - ending	\$ 77,158,920	\$ 88,164

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Cash Flows – Proprietary Funds
Year Ended April 30, 2008

	Business-Type Activities Waterworks and Sewerage Fund	Governmental Activities Internal Service Funds
Cash flows from operating activities		
Cash received from customers	\$ 5,624,793	\$ -
Cash paid to suppliers	(3,583,110)	(1,125,858)
Cash paid to employees	(2,039,331)	(490,758)
Cash received for interfund services provided	-	1,574,931
Net cash provided by (used for) operating activities	2,352	(41,685)
Cash flows from noncapital financing activities		
Transfers in	-	35,000
Home rule sales tax received	3,567,652	-
Insurance proceeds	258,212	-
Developer contributions	54,641	-
Net cash flows from noncapital financing activities	3,880,505	35,000
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(8,436,606)	-
Interest paid on bonds	(476,790)	-
Principal paid on general obligation bond maturities	(195,000)	-
Principal paid on revenue bond maturities	(235,000)	-
Net cash flows from capital and related financing activities	(9,343,396)	-
Cash flows from investing activities		
Purchase of investments (certificates of deposit)	(4,687,000)	-
Sale of investments (certificates of deposit)	7,446,000	-
Interest on investments	281,944	-
Net cash flows from investing activities	3,040,944	-
Net decrease in cash and equivalents	(2,419,595)	(6,685)
Cash and equivalents - beginning	4,597,522	44,846
Cash and equivalents - ending	\$ 2,177,927	\$ 38,161
Reported as:		
Cash and cash equivalents	\$ 2,168,563	\$ 38,161
Restricted cash and cash equivalents	9,364	-
	\$ 2,177,927	\$ 38,161

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Cash Flows – Proprietary Funds - Continued
Year Ended April 30, 2008

	Business-Type Activities Waterworks and Sewerage Fund	Governmental Activities Internal Service Funds
Reconciliation of operating loss to net cash provided by (used for) operating activities		
Operating loss	\$ (1,528,256)	\$ (35,000)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities		
Depreciation	2,910,577	-
Amortization	31,097	-
Changes in assets and liabilities		
Accounts receivable	22,649	(2,354)
Prepaid items	(5,317)	(2,399)
Inventory	-	(30,899)
Accounts payable	(1,452,508)	28,967
Compensated absences	24,110	-
Total adjustments	1,530,608	(6,685)
Net cash provided by (used for) operating activities	\$ 2,352	\$ (41,685)

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Fiduciary Net Assets

April 30, 2008

	Pension Trust Fund	Agency Fund
<hr/>		
Assets		
Cash and cash equivalents	\$ 78,153	\$ 869,592
Investments		
U.S. government securities	2,588,318	-
U.S. government agencies	2,110,119	-
Mutual funds	3,657,765	-
Money market funds	473,910	-
Interest receivable	60,182	-
	<hr/>	
Total assets	8,968,447	869,592
 Liabilities		
Deposits	-	869,592
	<hr/>	
Net Assets		
Held in trust for pension benefits	\$ 8,968,447	\$ -
	<hr/>	

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Changes in Fiduciary Net Assets - Pension Trust Fund
Year Ended April 30, 2008

Additions	
Contributions	
Employer	\$ 445,268
Employee	334,703
	<u>779,971</u>
Investment income	
Net appreciation in fair value of investments	141,508
Interest income	236,377
Less investment expenses	<u>(54,361)</u>
	<u>323,524</u>
Total additions	<u>1,103,495</u>
Deductions	
Administration	5,177
Pension benefits and refunds	<u>216,748</u>
Total deductions	<u>221,925</u>
Change in net assets	881,570
Net assets - beginning	<u>8,086,877</u>
Net assets - ending	<u><u>\$ 8,968,447</u></u>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Notes to Financial Statements

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

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 two internal service funds:

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

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

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

(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

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

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

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

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, 2008, 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, 2008, the Village had the following investments and maturities.

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	6 - 10	Greater than 10
U.S. Government	\$ 5,456,469	\$ 1,186,784	\$ 2,945,004	\$ 1,053,889	\$ 270,792
U.S. Agency Securities	2,260,353	504,220	1,755,765	368	-
Money Market Funds*	484,198	484,198	-	-	-
Illinois Metropolitan Investment Fund*	375,966	375,966	-	-	-
Illinois Funds*	7,935,035	7,935,035	-	-	-
Total investments	<u>\$ 16,512,021</u>	<u>\$ 10,486,203</u>	<u>\$ 4,700,769</u>	<u>\$ 1,054,257</u>	<u>\$ 270,792</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, 2008, the Village's investments were rated as follows:

Investment Type	Standard & Poors
U.S. Agency Securities	AAA
Money Market Funds - fixed income	Not Rated
Illinois Metropolitan Investment Fund	AAA
Illinois Funds	AAA

Village of Algonquin, Illinois

Notes to Financial Statements

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, 2008.

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.

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

Village of Algonquin, Illinois

Notes to Financial Statements

Note 4. Capital Assets

(a) Governmental Activities

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

	Balance May 1	Additions	Deletions	Balance April 30
Government activities:				
Capital assets not being depreciated:				
Land	\$ 99,719,698	\$ 1,315,125	\$ -	\$ 101,034,823
Construction in progress	2,342,627	1,308,796	2,062,608	1,588,815
Total capital assets not being depreciated	102,062,325	2,623,921	2,062,608	102,623,638
Capital assets being depreciated:				
Buildings	15,976,573	-	-	15,976,573
Improvements other than buildings	8,908,048	2,334,464	-	11,242,512
Vehicles and equipment	5,224,259	1,126,983	444,461	5,906,781
Streets/storm sewers/bridges	90,169,837	-	-	90,169,837
	120,278,717	3,461,447	444,461	123,295,703
Less accumulated depreciation for:				
Buildings	2,519,059	319,008	-	2,838,067
Improvements other than buildings	2,442,483	574,292	-	3,016,775
Vehicles and equipment	3,316,899	600,930	329,551	3,588,278
Streets/storm sewers/bridges	23,318,681	2,232,923	-	25,551,604
	31,597,122	3,727,153	329,551	34,994,724
Total capital assets being depreciated, net	88,681,595	(265,706)	114,910	88,300,979
Governmental activities capital assets, net	\$ 190,743,920	\$ 2,358,215	\$ 2,177,518	\$ 190,924,617

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	8,675,808	8,828,653	-	17,504,461
Total capital assets not being depreciated	18,711,330	8,828,653	-	27,539,983
Capital assets being depreciated:				
Buildings	13,937,306	-	-	13,937,306
Machinery and equipment	1,315,275	51,531	39,619	1,327,187
Water and sewer system	72,707,935	21,803	363	72,729,375
	87,960,516	73,334	39,982	87,993,868
Less accumulated depreciation for:				
Buildings	2,044,699	278,746	-	2,323,445
Machinery and equipment	831,404	121,566	39,619	913,351
Water and sewer system	25,250,881	2,510,265	363	27,760,783
	28,126,984	2,910,577	39,982	30,997,579
Total capital assets being depreciated, net	59,833,532	(2,837,243)	-	56,996,289
Business-type activities capital assets, net	\$ 78,544,862	\$ 5,991,410	\$ -	\$ 84,536,272

(c) Depreciation Charged to Functions/Activities

Depreciation was charged to functions/activities as follows:

	Governmental Activities	Business-Type Activities
General government	\$ 392,935	\$ -
Public safety	114,288	-
Public works	3,219,930	-
Water and sewer	-	2,910,577
	\$ 3,727,153	\$ 2,910,577

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, 2008:

	Balance May 1, 2007	Additions	Retirements	Balance April 30, 2008	Due Within One Year
Compensated Absences Payable	\$ 788,792	\$ 1,018,190	\$ 876,303	\$ 930,679	\$ 621,658
General Obligation Bonds Payable*	9,429,767	117,121	530,000	9,016,888	440,000
Capital Lease	78,955	-	67,355	11,600	11,600
	<u>\$ 10,297,514</u>	<u>\$ 1,135,311</u>	<u>\$ 1,473,658</u>	<u>\$ 9,959,167</u>	<u>\$ 1,073,258</u>

* Amount reported in the statement of net assets for governmental activities, is net of an unamortized discount of \$50,023.

The following is a summary of long-term obligation activity associated with business-type activities for the year ended April 30, 2008:

	Balance May 1, 2007	Additions	Retirements	Balance April 30, 2008	Due Within One Year
Compensated Absences Payable	\$ 103,684	\$ 176,419	\$ 152,309	\$ 127,794	\$ 95,381
General Obligations Bonds Payable **	10,580,000	-	195,000	10,385,000	215,000
Revenue Bonds Payable **	460,000	-	235,000	225,000	225,000
	<u>\$ 11,143,684</u>	<u>\$ 176,419</u>	<u>\$ 582,309</u>	<u>\$ 10,737,794</u>	<u>\$ 535,381</u>

** Amounts reported in the statement of net assets for the business-type activities, are net of unamortized discounts of \$157,823 and \$15,756, 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, 2008:

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
Governmental Activities:					
General Obligation Bonds -					
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	\$ 120,000	\$ -	\$ 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	1,085,000	-	370,000	715,000
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	3,075,000	-	40,000	3,035,000
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	2,214,767	117,121 *	-	2,331,888
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
Total General Obligation Bonds - Governmental Activities		\$ 9,429,767	\$ 117,121	\$ 530,000	\$ 9,016,888
* Principal accretion on capital appreciation bonds					
Capital Lease -					
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	\$ 78,955	\$ -	\$ 67,355	\$ 11,600

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
General Obligation Bonds - Business-type Activities					
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	\$ 1,580,000	\$ -	\$ 170,000	\$ 1,410,000
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	-	25,000	8,975,000
Total General Obligation Bonds - Business type Activities		10,580,000	-	195,000	10,385,000
Revenue Bonds - Business-type Activities					
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	\$ 460,000	\$ -	\$ 235,000	\$ 225,000
Total Bonds - Business-type Activities		\$ 11,040,000	\$ -	\$ 430,000	\$ 10,610,000

As of April 30, 2008, 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
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	560,000	196,756	756,756	500,000	349,160	849,160
2014 - 2018	4,192,256	1,339,914	5,532,170	2,875,000	1,433,800	4,308,800
2019 - 2023	2,324,632	986,094	3,310,726	3,665,000	811,598	4,476,598
2024 - 2025	-	-	-	1,725,000	107,475	1,832,475
Total	\$ 9,016,888	\$ 3,526,562	\$ 12,543,450	\$ 10,385,000	\$ 4,289,975	\$ 14,674,975

Village of Algonquin, Illinois

Notes to Financial Statements

Note 5. Long-Term Obligations (Continued)

As of April 30, 2008, debt service requirements to maturity on the outstanding capital lease, including interest, are as follows:

Year Ending April 30	Governmental Activities		
	Principal	Interest	Total
2009	\$ 11,600	\$ 90	\$ 11,690

As of April 30, 2008, 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
2009	\$ 225,000	\$ 8,550	\$ 233,550

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	<u>\$ 395,000</u>

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 \$804,588 are restricted as required by revenue bond ordinances at April 30, 2008.

Village of Algonquin, Illinois

Notes to Financial Statements

Note 7. Interfund Balances and Transfers

Individual interfund balances and transfers for the Village at April 30, 2008 are shown as follows:

Receivable Fund	Payable Fund	Detail	Due From/To Other Funds
General	Nonmajor Governmental	Short-term loan	\$ 300,000
Transfer In Fund	Transfer Out Fund	Detail	Transfers From/To Other Funds
General	Nonmajor Governmental	Administration fees	\$ 3,000
Nonmajor Governmental	General	Debt service	592,000
Nonmajor Governmental Funds	General	Administration fees	98,001
Nonmajor Governmental Funds	General	Parks	357,797
Internal Service	General	Building services	35,000
Total			\$ 1,085,798

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

Note 8. Other Information (Continued)

(b) Commitments

As of April 30, 2008, the Village has entered into various contracts for the construction, renovation or purchase of various facilities for approximately \$16 million. Approximately \$14 million has been expended to date, and approximately \$2 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

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 \$524,584 to SEECOM during fiscal year 2008.

(d) Pledged Sales Tax Revenues

The Village has pledged a portion of future sales tax revenues to a local retailer. In order to increase its competitiveness in the marketplace by establishing a single-order acceptance point for all its credit sales, the local retailer entered into a municipal sales tax incentive agreement with the Village, where the Village will pay to the retailer, a portion of the municipal component of the sales tax revenue generated by the retailer from credit sales as provided in the agreement. The agreement commenced April 2001 (first sales tax year), and terminates in calendar year 2021.

The terms of the agreement indicate that beginning in April 2001, the Village and the retailer shall distribute on an annual basis, the municipal sales taxes resulting from taxable credit sales with single-order acceptance at the retailer's property and received by the Village in the following amounts:

- for the first sales tax year through calendar year 2011, 50% to the retailer and 50% to the Village,
- the rebates shall cease if the rebate amount reaches \$500,000, which ever comes first

The total municipal sales taxes refunded by the Village during the year ended April 30, 2008, amounted to approximately \$172,000. Municipal sales taxes totaling \$500,000 have been refunded during the term of the agreement. As of April 30, 2008, there was no amount outstanding to be refunded.

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 follow:

(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.

Village of Algonquin, Illinois

Notes to Financial Statements

Note 9. Employee Retirement Systems and Plans (Continued)

(a) Illinois Municipal Retirement Fund (Continued)

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 2007 was 9.25 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, 2007 was 25 years.

Annual Pension Cost, Net Pension Obligation and Actuarial Assumptions

For December 31, 2007, the employer's annual pension cost of \$517,605 was equal to the employer's required and actual contributions. The required contribution was determined as part of the December 31, 2005, 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 10.0% 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.

(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, 2008, 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	30
Nonvested	19
	<hr/>
Total	54
	<hr/>

Village of Algonquin, Illinois

Notes to Financial Statements

Note 9. Employee Retirement Systems and Plans (Continued)

(b) Police Pension (Continued)

Plan Description (Continued)

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of 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.

Annual Pension Cost, Net Pension Asset and Reserves

Current Year Annual Pension Cost and Net Pension Asset

For fiscal year 2008, the Village's annual pension cost was \$444,441. The Village's actual contribution was \$445,268. For a description of the significant actuarial assumptions, see "Significant Actuarial Assumptions."

The net pension asset at April 30, 2008, was \$22,730. It was comprised of the following:

Net pension obligation:

Annual required contribution	\$ 444,960
Interest on net pension obligation	(1,533)
Adjustment to annual required contribution	1,014
Annual pension cost	444,441
Contributions made	445,268
Increase in net pension asset	827
Net pension asset at beginning of year	21,903
Net pension asset at end of year	<u>\$ 22,730</u>

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

Village of Algonquin, Illinois

Notes to Financial Statements

Note 9. Employee Retirement Systems and Plans (Continued)

(b) Police Pension (Continued)

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.

Significant Actuarial Assumptions

The annual required contribution for the year ended April 30, 2008 was determined as part of the April 30, 2008 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, 2008 was 25 years.

(c) Trend Information

	For Fiscal Year	Illinois Municipal Retirement	Police Pension	
Annual Pension Cost	2006	\$ 456,331	\$ 485,719	
	2007	480,353	488,952	
	2008	517,605	444,441	
Percent Contributed	2006	100.00	% 86.63	%
	2007	100.00	100.23	
	2008	100.00	100.20	
Net Pension Asset (Obligation)	2006	\$ -	\$ (367,998)	
	2007	-	21,903	
	2008	-	22,730	

Village of Algonquin, Illinois

Notes to Financial Statements

Note 10. New Governmental Accounting Standards

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

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. 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.

Statement No. 53 – *Accounting and Financial Reporting for Derivative Instruments*, addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are often complex financial arrangements used by governments to manage specific risks or to make investments. 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

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balance –

Budget and Actual – General Fund

Year Ended April 30, 2008

	Original Budget	Final Budget	Actual	Over (Under)
Revenues				
Charges for services	\$ 588,840	\$ 588,840	\$ 542,814	\$ (46,026)
Licenses and permits	977,000	977,000	716,764	(260,236)
Intergovernmental, grants and contributions	142,000	142,000	213,957	71,957
Fines, fees and forfeitures	552,000	552,000	567,449	15,449
Property taxes	5,144,500	5,144,500	5,168,603	24,103
Other taxes	10,498,500	10,498,500	10,603,434	104,934
Interest	227,470	227,470	267,882	40,412
Miscellaneous	15,000	15,000	43,641	28,641
Total revenues	18,145,310	18,145,310	18,124,544	(20,766)
Expenditures				
Current				
General government	5,374,435	5,374,435	3,747,329	1,627,106
Public safety	7,248,780	7,248,780	6,784,724	464,056
Public works	4,274,150	4,274,150	4,308,850	(34,700)
Debt Service				
Principal	187,355	187,355	187,355	-
Interest and fiscal charges	4,840	4,840	7,744	(2,904)
Capital outlay	452,450	452,450	964,498	(512,048)
Total expenditures	17,542,010	17,542,010	16,000,500	1,541,510
Excess of revenues over expenditures	603,300	603,300	2,124,044	1,520,744
Other financing sources (uses)				
Transfers in	-	-	3,000	3,000
Transfers out	(611,300)	(611,300)	(1,082,798)	(471,498)
Total other financing sources (uses)	(611,300)	(611,300)	(1,079,798)	(468,498)
Net change in fund balance	\$ (8,000)	\$ (8,000)	1,044,246	\$ 1,052,246
Fund balance - beginning			6,695,261	
Fund balance - ending			\$ 7,739,507	

See Note to Required Supplementary Information.

Village of Algonquin, Illinois

Required Supplementary Information
Analysis of Funding Progress

April 30, 2008

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)
12/31/2007	\$ 7,581,534	\$ 8,590,433	\$ 1,008,899	88.26 %	\$ 5,595,732	18.03 %
12/31/2006	6,738,166	7,561,324	823,158	89.11	5,181,803	15.89
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)

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)
05/01/2008	\$ 8,968,447	\$ 17,500,170	\$ 8,531,723	51.25 %	\$ 3,529,291	241.74 %
05/01/2007	8,086,877	15,528,795	7,441,918	52.08	3,213,288	231.60
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

Village of Algonquin, Illinois

Required Supplementary Information
Employer Contributions

April 30, 2008

Illinois Municipal Retirement Fund

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed	
12/31/2007	\$ 517,605	100	%
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	

Police Pension Fund

Fiscal Year End Date	Annual Required Contribution	Percentage Contributed	
04/30/2008	\$ 444,960	100	%
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	

Village of Algonquin, Illinois

Note to Required Supplementary Information

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, 2008

	Original Budget	Final Budget	Actual
Charges for services			
Building and zoning	\$ 100,000	\$ 100,000	\$ 32,698
Platting fees	190,000	190,000	184,682
Intergovernmental agreement - police	110,000	110,000	140,539
Intergovernmental agreement - public works	-	-	8,074
Police training reimbursement	8,000	8,000	22,962
Snow plowing fees	3,000	3,000	-
Park usage fees	-	-	15,980
Recreation programs	127,840	127,840	102,195
Site development fee	9,000	9,000	5,375
Public art impact fee	2,000	2,000	5,220
Rental income	20,000	20,000	15,465
Historical commission	1,000	1,000	679
Senior bus	3,000	3,000	2,743
Subdivision signs	15,000	15,000	6,202
Total charges for services	588,840	588,840	542,814
Licenses and permits			
Liquor licenses	105,000	105,000	112,283
Building permits	850,000	850,000	584,682
Miscellaneous licenses	22,000	22,000	19,799
Total licenses and permits	977,000	977,000	716,764
Intergovernmental, grants and contributions			
Grants - operating, public safety, general	100,000	100,000	151,193
Contributions	42,000	42,000	62,764
Total intergovernmental, grants and contributions	142,000	142,000	213,957
Fines, fees and forfeitures			
County court and drug fines	480,500	480,500	469,305
County prosecution fines	2,000	2,000	2,076
Police fines	40,000	40,000	67,027
Restitution - Court Cases	500	500	2,568
Police accident reports	5,000	5,000	4,597
Reports, maps and ordinances	2,500	2,500	1,597
Building permit fines	20,000	20,000	11,050

(Continued)

Village of Algonquin, Illinois

General Fund

Schedule of Revenues - Budget and Actual (Continued)
Year Ended April 30, 2008

	Original Budget	Final Budget	Actual
Fines, fees and forfeitures (Continued)			
Towing and Storage	\$ -	\$ -	\$ 5,810
Maintenance fee	1,000	1,000	2,500
Administrative fees	500	500	919
Total fines, fees and forfeitures	552,000	552,000	567,449
Property taxes			
General	1,600,000	1,600,000	1,599,099
Road and bridge	315,000	315,000	338,722
Social security	460,000	460,000	455,965
Insurance	577,500	577,500	577,295
IMRF	255,000	255,000	255,094
School crossing	8,800	8,800	13,369
Police protection	1,350,000	1,350,000	1,349,721
ESDA	8,800	8,800	9,203
GOBI	124,440	124,440	124,866
Police pension	444,960	444,960	445,269
Total property taxes	5,144,500	5,144,500	5,168,603
Other taxes			
Personal property replacement tax	58,500	58,500	68,597
Cable TV fees	320,000	320,000	348,118
Telecommunication tax	200,000	200,000	203,618
Natural gas franchise fees	65,000	65,000	51,930
State income tax	2,825,000	2,825,000	3,426,760
Sales tax	7,030,000	7,030,000	6,504,411
Total other taxes	10,498,500	10,498,500	10,603,434
Interest	227,470	227,470	267,882
Miscellaneous			
Other	15,000	15,000	43,641
Total revenues	\$ 18,145,310	\$ 18,145,310	\$ 18,124,544

Village of Algonquin, Illinois

General Fund

Schedule of Expenditures - Budget and Actual
Year Ended April 30, 2008

	Original Budget	Final Budget	Actual
Current			
General government			
Administration			
Personnel	\$ 2,749,015	\$ 2,749,015	\$ 1,272,095
Commodities	66,560	66,560	111,173
Contractual services	928,960	928,960	850,191
Other charges	265,825	265,825	190,168
Total administration	4,010,360	4,010,360	2,423,627
Community development			
Personnel	1,106,280	1,106,280	969,430
Commodities	38,100	38,100	40,857
Contractual services	139,895	139,895	236,712
Other charges	79,800	79,800	76,703
Total community development	1,364,075	1,364,075	1,323,702
Total general government	5,374,435	5,374,435	3,747,329
Public safety			
Police department			
Personnel	5,416,370	5,416,370	5,070,906
Commodities	195,640	195,640	227,010
Contractual services	1,038,960	1,038,960	916,529
Other charges	597,810	597,810	570,279
Total public safety	7,248,780	7,248,780	6,784,724
Public works			
Public works administration			
Personnel	524,800	524,800	543,549
Commodities	21,650	21,650	27,834
Contractual services	86,940	86,940	84,212
Other charges	17,350	17,350	18,225
Total public works administration	650,740	650,740	673,820

(Continued)

Village of Algonquin, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)
Year Ended April 30, 2008

	Original Budget	Final Budget	Actual
Public works (Continued)			
Streets department			
Personnel	\$ 1,086,470	\$ 1,086,470	\$ 1,126,760
Commodities	166,780	166,780	231,800
Contractual services	822,075	822,075	797,324
Other charges	12,125	12,125	10,113
Total streets	<u>2,087,450</u>	<u>2,087,450</u>	<u>2,165,997</u>
Parks			
Personnel	1,041,850	1,041,850	1,016,261
Commodities	149,760	149,760	108,538
Contractual services	327,070	327,070	330,097
Other charges	17,280	17,280	14,137
Total parks	<u>1,535,960</u>	<u>1,535,960</u>	<u>1,469,033</u>
Total public works	<u>4,274,150</u>	<u>4,274,150</u>	<u>4,308,850</u>
Debt service			
Bond principal	120,000	120,000	120,000
Capital lease principal	67,355	67,355	67,355
Interest and fiscal charges	4,840	4,840	7,744
Total debt service	<u>192,195</u>	<u>192,195</u>	<u>195,099</u>
Capital outlay			
General government	98,275	98,275	369,643
Public safety	126,625	126,625	186,939
Public works	227,550	227,550	407,916
Total capital outlay	<u>452,450</u>	<u>452,450</u>	<u>964,498</u>
Total expenditures	<u>\$ 17,542,010</u>	<u>\$ 17,542,010</u>	<u>\$ 16,000,500</u>

NONMAJOR GOVERNMENTAL FUNDS – COMBINING STATEMENTS

Village of Algonquin, Illinois

Nonmajor Governmental Funds
Combining Balance Sheet
April 30, 2008

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 3,459,710	\$ 22,248	\$ 80,778	\$ 3,562,736
Investments	1,315,000	3,413,151	-	4,728,151
Receivables				
Other taxes	169,782	-	-	169,782
Intergovernmental	68,236	-	-	68,236
Accrued interest	20,187	14,483	-	34,670
Other	137,483	-	-	137,483
Total assets	<u>\$ 5,170,398</u>	<u>\$ 3,449,882</u>	<u>\$ 80,778</u>	<u>\$ 8,701,058</u>
Liabilities				
Accounts payable	\$ 251,911	\$ -	\$ -	\$ 251,911
Deferred revenue - other	140,827	-	-	140,827
Due to other funds	300,000	-	-	300,000
Total liabilities	<u>692,738</u>	<u>-</u>	<u>-</u>	<u>692,738</u>
Fund Balances				
Reserved for				
Donor program	904,723	-	-	904,723
Cemetery acquisition and perpetual care	237,179	-	-	237,179
Grant programs	988,617	-	-	988,617
Debt service	-	3,449,882	-	3,449,882
Unreserved	2,347,141	-	80,778	2,427,919
Total fund balances	<u>4,477,660</u>	<u>3,449,882</u>	<u>80,778</u>	<u>8,008,320</u>
Total liabilities and fund balances	<u>\$ 5,170,398</u>	<u>\$ 3,449,882</u>	<u>\$ 80,778</u>	<u>\$ 8,701,058</u>

Village of Algonquin, Illinois

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Year Ended April 30, 2008

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Revenues				
Charges for services	\$ 153,251	\$ -	\$ -	\$ 153,251
Intergovernmental, grants and contributions	1,111,248	-	3,300	1,114,548
Fines and fees	48,000	-	-	48,000
Other taxes	1,745,742	-	-	1,745,742
Interest	171,892	159,246	2,922	334,060
Miscellaneous	31,153	-	-	31,153
Total revenues	3,261,286	159,246	6,222	3,426,754
Expenditures				
Current				
General government	271,501	-	-	271,501
Public works	2,300,206	-	-	2,300,206
Debt service				
Principal	-	410,000	-	410,000
Interest and fiscal charges	-	299,448	-	299,448
Capital outlay	1,551,546	-	-	1,551,546
Total expenditures	4,123,253	709,448	-	4,832,701
Excess (deficiency) of revenues over expenditures	(861,967)	(550,202)	6,222	(1,405,947)
Other financing sources (uses)				
Transfers in	455,798	592,000	-	1,047,798
Transfers out	(3,000)	-	-	(3,000)
Total other financing sources (uses)	452,798	592,000	-	1,044,798
Net change in fund balances	(409,169)	41,798	6,222	(361,149)
Fund balances - beginning	4,886,829	3,408,084	74,556	8,369,469
Fund balances - ending	\$ 4,477,660	\$ 3,449,882	\$ 80,778	\$ 8,008,320

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, 2008

	Community Development Block Grant	Motor Fuel Tax	Public Swimming Pool	Parks	Cul de Sac
Assets					
Cash and cash equivalents	\$ 295,934	\$ 521,444	\$ 59,773	\$ 613,601	\$ 37,697
Investments	-	-	-	-	740,000
Receivables					
Other taxes	-	-	-	-	-
Intergovernmental	-	68,236	-	-	-
Accrued interest	-	-	-	299	12,339
Other	-	-	1,000	-	-
Total assets	<u>\$ 295,934</u>	<u>\$ 589,680</u>	<u>\$ 60,773</u>	<u>\$ 613,900</u>	<u>\$ 790,036</u>
Liabilities					
Accounts payable	\$ -	\$ 16,323	\$ 824	\$ 215,699	\$ 4,590
Deferred revenue - other	-	-	45,299	-	-
Due to other funds	-	-	-	300,000	-
Total liabilities	<u>-</u>	<u>16,323</u>	<u>46,123</u>	<u>515,699</u>	<u>4,590</u>
Fund Balances					
Reserved for					
Donor program	-	-	-	98,201	777,697
Cemetery acquisition and perpetual care	-	-	-	-	-
Grant programs	295,934	573,357	-	-	-
Unreserved	-	-	14,650	-	7,749
Total fund balances	<u>295,934</u>	<u>573,357</u>	<u>14,650</u>	<u>98,201</u>	<u>785,446</u>
Total liabilities and fund balances	<u>\$ 295,934</u>	<u>\$ 589,680</u>	<u>\$ 60,773</u>	<u>\$ 613,900</u>	<u>\$ 790,036</u>

Hotel/ Motel Tax	School Donations	Street Improvement	Cemetery	Totals
\$ 42,070	\$ 110,353	\$ 1,734,843	\$ 43,995	\$ 3,459,710
265,000	-	100,000	210,000	1,315,000
-	-	169,782	-	169,782
-	-	-	-	68,236
3,958	-	-	3,591	20,187
5,881	-	130,602	-	137,483
<hr/>				
\$ 316,909	\$ 110,353	\$ 2,135,227	\$ 257,586	\$ 5,170,398

\$ -	\$ -	\$ 8,375	\$ 6,100	\$ 251,911
14,000	81,528	-	-	140,827
-	-	-	-	300,000
<hr/>				
14,000	81,528	8,375	6,100	692,738

-	28,825	-	-	904,723
-	-	-	237,179	237,179
-	-	119,326	-	988,617
302,909	-	2,007,526	14,307	2,347,141
<hr/>				
302,909	28,825	2,126,852	251,486	4,477,660
<hr/>				
\$ 316,909	\$ 110,353	\$ 2,135,227	\$ 257,586	\$ 5,170,398

Village of Algonquin, Illinois

Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Year Ended April 30, 2008

	Community Development Block Grant	Motor Fuel Tax	Public Swimming Pool	Parks	Cul de Sac
Revenues					
Charges for services	\$ -	\$ -	\$ 137,016	\$ -	\$ -
Intergovernmental, grants and contributions	-	850,150	-	129,355	-
Fines, fees and forfeitures	-	-	-	-	48,000
Other taxes	-	-	-	-	-
Interest	5,677	31,723	134	17,775	39,642
Miscellaneous	-	-	14,260	-	-
Total revenues	5,677	881,873	151,410	147,130	87,642
Expenditures					
Current					
General government	-	-	195,377	-	-
Public works	-	1,064,366	-	128,068	62,092
Capital outlay	-	42,704	-	1,123,250	81,000
Total expenditures	-	1,107,070	195,377	1,251,318	143,092
Excess (deficiency) of revenues over expenditures	5,677	(225,197)	(43,967)	(1,104,188)	(55,450)
Other financing sources (uses)					
Transfers in	-	-	54,796	357,797	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	54,796	357,797	-
Net change in fund balances	5,677	(225,197)	10,829	(746,391)	(55,450)
Fund balances - beginning	290,257	798,554	3,821	844,592	840,896
Fund balances - ending	\$ 295,934	\$ 573,357	\$ 14,650	\$ 98,201	\$ 785,446

Hotel/Motel Tax	School Donations	Street Improvement	Cemetery	Totals
\$ -	\$ -	\$ -	\$ 16,235	\$ 153,251
-	28,037	103,706	-	1,111,248
-	-	-	-	48,000
91,261	-	1,654,481	-	1,745,742
11,775	1,910	52,083	11,173	171,892
-	-	-	16,893	31,153
103,036	29,947	1,810,270	44,301	3,261,286
10,378	28,908	-	36,838	271,501
-	-	1,045,680	-	2,300,206
-	-	304,592	-	1,551,546
10,378	28,908	1,350,272	36,838	4,123,253
92,658	1,039	459,998	7,463	(861,967)
-	-	43,205	-	455,798
-	(3,000)	-	-	(3,000)
-	(3,000)	43,205	-	452,798
92,658	(1,961)	503,203	7,463	(409,169)
210,251	30,786	1,623,649	244,023	4,886,829
\$ 302,909	\$ 28,825	\$ 2,126,852	\$ 251,486	\$ 4,477,660

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, 2008

	Original Budget	Final Budget	Actual
Revenues			
Interest	\$ 7,000	\$ 7,000	\$ 5,677
Expenditures	-	-	-
Net change in fund balance	<u>\$ 7,000</u>	<u>\$ 7,000</u>	5,677
Fund balance - beginning			<u>290,257</u>
Fund balance - ending			<u>\$ 295,934</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, 2008

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental			
Motor fuel tax allotments	\$ 831,000	\$ 831,000	\$ 850,150
Interest	25,000	25,000	31,723
Total revenues	<u>856,000</u>	<u>856,000</u>	<u>881,873</u>
Expenditures			
Current			
Public works			
Materials	120,800	120,800	154,836
Engineering services	141,000	141,000	82,980
Maintenance	908,600	908,600	826,550
Capital Outlay			
Capital Improvements	5,000	5,000	42,704
Total expenditures	<u>1,175,400</u>	<u>1,175,400</u>	<u>1,107,070</u>
Net change in fund balance	<u><u>\$ (319,400)</u></u>	<u><u>\$ (319,400)</u></u>	(225,197)
Fund balance - beginning			<u>798,554</u>
Fund balance - ending			<u><u>\$ 573,357</u></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, 2008

	Original Budget	Final Budget	Actual
Revenues			
Charges for services			
Swimming pool fees	\$ 38,000	\$ 38,000	\$ 39,074
Swimming daily fees	26,000	26,000	22,402
Swimming lessons	66,580	66,580	62,673
Concessions- Candy	15,000	15,000	1,451
Concessions- Vending	4,000	4,000	11,416
Interest	100	100	134
Miscellaneous	15,000	15,000	14,260
Total revenues	<u>164,680</u>	<u>164,680</u>	<u>151,410</u>
Expenditures			
Current			
General government			
Personnel	119,180	119,180	102,558
Commodities	21,875	21,875	18,272
Contractual services	36,525	49,723	70,304
Other	4,600	4,600	4,243
Total expenditures	<u>182,180</u>	<u>195,378</u>	<u>195,377</u>
Deficiency of revenues over expenditures	(17,500)	(30,698)	(43,967)
Other financing sources			
Transfers in	<u>17,500</u>	<u>30,698</u>	<u>54,796</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	10,829
Fund balance - beginning			<u>3,821</u>
Fund balance - ending			<u>\$ 14,650</u>

Village of Algonquin, Illinois

Public Swimming Pool Fund

Schedule of Expenditures - Budget and Actual
Year Ended April 30, 2008

	Original Budget	Final Budget	Actual
Expenditures			
Current			
General government			
Personnel			
Salary of pool employees	\$ 108,680	\$ 108,680	\$ 93,960
Social security/state unemployment tax	10,500	10,500	8,598
	<u>119,180</u>	<u>119,180</u>	<u>102,558</u>
Commodities			
Office supplies	4,000	4,000	3,852
Chemicals	7,000	7,000	243
Postage	260	260	49
Building supplies	1,250	1,250	1,207
Concessions	8,000	8,000	11,528
Small tools and equipment	1,365	1,365	1,393
	<u>21,875</u>	<u>21,875</u>	<u>18,272</u>
Contractual services			
Telephone	50	50	50
Gas-heat	2,200	2,200	4,751
Electricity	7,000	7,000	7,419
Maintenance			
Building	15,000	28,198	52,614
Pool	6,300	6,300	-
Insurance	5,975	5,975	5,470
	<u>36,525</u>	<u>49,723</u>	<u>70,304</u>
Other			
Travel/training/dues	1,000	1,000	650
Uniforms and safety items	3,600	3,600	3,593
	<u>4,600</u>	<u>4,600</u>	<u>4,243</u>
Total expenditures	<u>\$ 182,180</u>	<u>\$ 195,378</u>	<u>\$ 195,377</u>

Village of Algonquin, Illinois

Parks Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2008

	Original Budget	Final Budget	Actual
Revenues			
Contributions	\$ 300,000	\$ 300,000	\$ 69,355
Grants	400,000	400,000	60,000
Interest	21,000	21,000	17,775
Total revenues	<u>721,000</u>	<u>721,000</u>	<u>147,130</u>
Expenditures			
Current			
Public works			
Commodities			
Maintenance	-	-	2,020
Contractual services			
Tree planting	20,000	20,000	18,350
Wetland mitigation	180,000	180,000	94,863
Ecosystem maintenance	28,300	28,300	11,904
Engineering fees	38,000	38,000	73
Professional fees	5,000	5,000	858
Capital outlay			
Park development	1,290,000	1,290,000	1,123,250
Total expenditures	<u>1,561,300</u>	<u>1,561,300</u>	<u>1,251,318</u>
Deficiency of revenues over expenditures	(840,300)	(840,300)	(1,104,188)
Other financing sources			
Transfers in	-	-	357,797
Net change in fund balance	<u>\$ (840,300)</u>	<u>\$ (840,300)</u>	(746,391)
Fund balance - beginning			<u>844,592</u>
Fund balance - ending			<u>\$ 98,201</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, 2008

	Original Budget	Final Budget	Actual
Revenues			
Fines, fees and forfeitures			
Cul de sac fees	\$ -	\$ -	\$ 48,000
Interest	40,000	40,000	39,642
Total revenues	<u>40,000</u>	<u>40,000</u>	<u>87,642</u>
Expenditures			
Current			
Public works			
Contractual services			
Snow removal	32,000	60,592	62,092
Capital Outlay			
Capital Purchases	82,500	82,500	81,000
Total expenditures	<u>114,500</u>	<u>143,092</u>	<u>143,092</u>
Net change in fund balance	<u>\$ (74,500)</u>	<u>\$ (103,092)</u>	(55,450)
Fund balance - beginning			<u>840,896</u>
Fund balance - ending			<u>\$ 785,446</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, 2008

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Hotel tax	\$ 80,000	\$ 80,000	\$ 91,261
Interest	6,000	6,000	11,775
Total revenues	<u>86,000</u>	<u>86,000</u>	<u>103,036</u>
Expenditures			
Current			
General government			
Regional/Marketing	10,000	10,000	10,378
Contractual - developer agreement	76,000	76,000	-
Total expenditures	<u>86,000</u>	<u>86,000</u>	<u>10,378</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	92,658
Fund balance - beginning			<u>210,251</u>
Fund balance - ending			<u>\$ 302,909</u>

Village of Algonquin, Illinois

School Donations Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2008

	Original Budget	Final Budget	Actual
Revenues			
Contributions	\$ 2,000,000	\$ 2,000,000	\$ 28,037
Interest	3,000	3,000	1,910
Total revenues	<u>2,003,000</u>	<u>2,003,000</u>	<u>29,947</u>
Expenditures			
Current			
General government			
Contractual services - impact fees	<u>2,000,000</u>	<u>2,000,000</u>	<u>28,908</u>
Excess (deficiency) of revenues over expenditures	3,000	3,000	1,039
Other financing uses			
Transfers out	<u>(3,000)</u>	<u>(3,000)</u>	<u>(3,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(1,961)
Fund balance - beginning			<u>30,786</u>
Fund balance - ending			<u>\$ 28,825</u>

Village of Algonquin, Illinois

Street Improvement Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2008

	Original Budget	Final Budget	Actual
Revenues			
Contributions	\$ -	\$ -	\$ 103,706
Other taxes			
Home rule sales tax	-	80,896	80,896
Utility taxes	950,000	959,854	1,023,063
Telecommunication taxes	525,000	550,522	550,522
Interest	11,000	11,000	52,083
Total revenues	<u>1,486,000</u>	<u>1,602,272</u>	<u>1,810,270</u>
Expenditures			
Current			
Public works			
Supplies and small tools	18,000	18,000	22,470
Contractual services			
Legal services	1,000	1,000	4,024
Engineering services	232,000	232,000	37,891
Infrastructure Maintenance	813,000	929,272	981,295
Capital outlay			
Capital improvements	170,000	170,000	304,592
Total expenditures	<u>1,234,000</u>	<u>1,350,272</u>	<u>1,350,272</u>
Excess of revenues over expenditures	<u>252,000</u>	<u>252,000</u>	<u>459,998</u>
Other financing sources			
Transfers in	-	-	43,205
Net change in fund balance	<u>\$ 252,000</u>	<u>\$ 252,000</u>	503,203
Fund balance - beginning			<u>1,623,649</u>
Fund balance - ending			<u>\$ 2,126,852</u>

Village of Algonquin, Illinois

Cemetery Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2008

	Original Budget	Final Budget	Actual
Revenues			
Charges for services			
Opening graves and closing crypts	\$ 7,000	\$ 7,000	\$ 10,075
Perpetual care	1,500	1,500	1,440
Sale of lots	9,000	9,000	4,720
Interest	10,100	10,100	11,173
Miscellaneous	16,850	16,850	16,893
Total revenues	<u>44,450</u>	<u>44,450</u>	<u>44,301</u>
Expenditures			
Current			
General government			
Commodities			
Supplies	1,800	1,800	-
Small tools and equipment	300	300	-
Contractual services			
Professional services	28,400	28,400	27,800
Grave openings	7,000	7,000	7,700
Insurance	1,450	1,450	1,338
Total expenditures	<u>38,950</u>	<u>38,950</u>	<u>36,838</u>
Net change in fund balance	<u>\$ 5,500</u>	<u>\$ 5,500</u>	7,463
Fund balance - beginning			<u>244,023</u>
Fund balance - ending			<u>\$ 251,486</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

Nonmajor Debt Service Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2008

	Original Budget	Final Budget	Actual
Revenues			
Interest	\$ 145,000	\$ 145,000	\$ 159,246
Expenditures			
Debt service			
Principal	410,000	410,000	410,000
Interest and fiscal charges	303,500	303,500	299,448
Total expenditures	713,500	713,500	709,448
Excess (deficiency) of revenue over expenditures	(568,500)	(568,500)	(550,202)
Other financing sources			
Transfers in	593,800	593,800	592,000
Net change in fund balance	\$ 25,300	\$ 25,300	41,798
Fund balance - beginning			3,408,084
Fund balance - ending			\$ 3,449,882

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, 2008

	Original Budget	Final Budget	Actual
Revenues			
Contributions	\$ 20,000	\$ 20,000	\$ 3,300
Interest	2,600	2,600	2,922
Total revenues	22,600	22,600	6,222
Expenditures			
Capital outlay	-	-	-
Net change in fund balance	<u>\$ 22,600</u>	<u>\$ 22,600</u>	6,222
Fund balance - beginning			<u>74,556</u>
Fund balance - ending			<u>\$ 80,778</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, 2008

	Unrestricted Accounts		Restricted Accounts			
	Operations and Maintenance	Improvements and Extension	Bond and Interest	Bond Reserve	Depreciation	Totals
Assets						
Current Assets						
Cash and cash equivalents	\$ 222,168	\$ 1,946,395	\$ -	\$ -	\$ -	\$ 2,168,563
Investments	-	110,000	-	-	-	110,000
Receivables						
Accounts	700,517	730,409	-	-	-	1,430,926
Interest	-	44	-	-	-	44
Other	69,800	-	-	-	-	69,800
Intrafund receivable (payable)	1,415,956	(1,081,508)	(61,732)	(270,578)	(2,138)	-
Prepaid items	22,545	-	-	-	-	22,545
Total current assets	2,430,986	1,705,340	(61,732)	(270,578)	(2,138)	3,801,878
Restricted Assets						
Cash and cash equivalents	-	-	1,586	4,646	3,132	9,364
Investments	-	-	458,500	520,500	150,000	1,129,000
Accrued interest	-	-	365	239	68	672
Total restricted assets	-	-	460,451	525,385	153,200	1,139,036
Capital Assets						
Cost	115,533,851	-	-	-	-	115,533,851
Accumulated depreciation	(30,997,579)	-	-	-	-	(30,997,579)
Total capital assets, net	84,536,272	-	-	-	-	84,536,272
Total assets	\$ 86,967,258	\$ 1,705,340	\$ 398,719	\$ 254,807	\$ 151,062	\$ 89,477,186

	Unrestricted Accounts		Restricted Accounts			
	Operations and Maintenance	Improvements and Extension	Bond and Interest	Bond Reserve	Depreciation	Totals
Liabilities						
Current Liabilities						
Accounts payable	\$ 236,808	\$ 1,481,586	\$ -	\$ -	\$ -	\$ 1,718,394
Accrued interest	35,657	-	-	-	-	35,657
Compensated absences	95,381	-	-	-	-	95,381
General obligation bonds payable	215,000	-	-	-	-	215,000
Revenue bonds payable, net	209,244	-	-	-	-	209,244
Total current liabilities	792,090	1,481,586	-	-	-	2,273,676
Noncurrent Liabilities						
Compensated absences payable	32,413	-	-	-	-	32,413
General obligation bonds payable, net	10,012,177	-	-	-	-	10,012,177
Total noncurrent liabilities	10,044,590	-	-	-	-	10,044,590
Total liabilities	10,836,680	1,481,586	-	-	-	12,318,266
Net Assets						
Invested in capital assets, net of related debt	74,099,851	-	-	-	-	74,099,851
Restricted - revenue bond covenants	-	-	398,719	254,807	151,062	804,588
Unrestricted	2,030,727	223,754	-	-	-	2,254,481
Total net assets	\$ 76,130,578	\$ 223,754	\$ 398,719	\$ 254,807	\$ 151,062	\$ 77,158,920

Village of Algonquin, Illinois

Waterworks and Sewerage Fund

Statement of Changes in Net Assets -
Restricted Accounts
Year Ended April 30, 2008

	Bond and Interest	Bond Reserve	Depreciation	Totals
Increases				
Interest	\$ 49,449	\$ 27,562	\$ 8,021	\$ 85,032
Account transfers	412,000	-	-	412,000
Total increases	461,449	27,562	8,021	497,032
Decreases				
Account transfers	-	25,000	7,200	32,200
Bond interest and fees	445,690	-	-	445,690
Total decreases	445,690	25,000	7,200	477,890
Change in net assets	15,759	2,562	821	19,142
Restricted net assets - beginning	382,960	252,245	150,241	785,446
Restricted net assets - ending	\$ 398,719	\$ 254,807	\$ 151,062	\$ 804,588

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, 2008

	Original Budget	Final Budget	Actual
Operating revenues			
Charges for services			
Water and sewer revenue	\$ 4,837,500	\$ 4,837,500	\$ 4,480,102
Meter sales	105,000	105,000	29,900
Connection fees	1,500,000	1,500,000	950,000
Administration fee	74,500	74,500	76,737
Miscellaneous	69,450	69,450	65,405
Total operating revenues	6,586,450	6,586,450	5,602,144
Operating expenses excluding depreciation	4,806,650	4,806,650	4,219,823
Nonoperating revenues (expenses)			
Home rule sales tax	3,809,500	3,809,500	3,567,652
Insurance proceeds	-	-	258,212
Contributions	-	-	54,641
Interest income	119,600	119,600	230,995
Interest expense and fiscal agent fees	(455,000)	(455,000)	(470,397)
Total nonoperating revenues (expenses)	3,474,100	3,474,100	3,641,103

Village of Algonquin, Illinois

Waterworks and Sewerage Fund

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

Year Ended April 30, 2008

	Original Budget	Final Budget	Actual
Water department			
Personnel			
IMRF	\$ 68,190	\$ 68,190	\$ 74,093
FICA	56,715	56,715	61,599
Unemployment tax	4,405	4,405	2,411
Health insurance	110,675	110,675	119,051
Salaries	721,230	721,230	793,810
Overtime	31,585	31,585	53,879
Commodities			
Meters	80,940	80,940	84,773
Office supplies	1,800	1,800	820
Materials	11,970	11,970	6,131
Chemicals	147,500	147,500	149,760
Postage	29,700	29,700	23,101
Building supplies	1,000	1,000	6
Small tools and equipment	12,960	12,960	8,588
Fuel	30,400	30,400	25,840
Lab supplies	7,430	7,430	6,398
Office furniture and equipment	10,960	10,960	3,702
Contractual services			
Utilities	436,980	436,980	373,143
Legal services	6,000	6,000	276
Audit services	3,075	3,075	2,795
Engineering services	21,000	21,000	-
Professional services	94,200	94,200	94,204
Insurance	103,100	103,100	81,574
Publications	2,150	2,150	661
Printing	6,900	6,900	8,745
Equipment rental	3,100	3,100	1,216
Physical exams	700	700	
Travel/training/dues	9,750	9,750	49,935
Bank processing fees	15,000	15,000	14,618
Uniforms	7,300	7,300	7,934
Maintenance			
Alarm Lines	700	700	633
Wells	49,570	49,570	41,720
Booster station	22,330	22,330	8,693
Maintenance storage facility	24,090	24,090	12,534
Treatment facility	25,540	25,540	26,371
Distribution system	36,550	36,550	23,960

Village of Algonquin, Illinois

Waterworks and Sewerage Fund

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

Year Ended April 30, 2008

	Original Budget	Final Budget	Actual
Water department (continued)			
Contractual services (continued)			
Maintenance (continued)			
Vehicle maintenance	\$ 32,450	\$ 32,450	\$ 25,947
Radio maintenance	300	300	-
Building maintenance	87,290	87,290	43,720
Maintenance - Other	9,020	9,020	9,047
Equipment maintenance	26,600	26,600	14,303
Capital outlay	543,500	543,500	171,259
Less fixed assets capitalized	(543,500)	(543,500)	(171,259)
Total water department	2,351,155	2,351,155	2,255,991
Sewer department			
Personnel			
IMRF	73,610	73,610	64,342
FICA	61,410	61,410	53,451
Unemployment tax	4,680	4,680	2,351
Health insurance	108,240	108,240	103,969
Salaries	775,205	775,205	688,420
Overtime	34,930	34,930	46,065
Commodities			
Meters	80,940	80,940	84,773
Office supplies	1,500	1,500	900
Materials	12,600	12,600	10,875
Chemicals	83,000	83,000	49,238
Postage	27,200	27,200	21,974
Building supplies	2,000	2,000	2,091
Small tools and equipment	19,660	19,660	20,702
Fuel	22,200	22,200	33,649
Lab supplies	4,100	4,100	3,236
Office furniture and equipment	13,010	13,010	6,811
Contractual services			
Utilities	238,760	238,760	299,042
Legal services	7,000	7,000	2,048
Audit services	3,075	3,075	2,795
Engineering services	46,000	46,000	31,776
Professional services	81,225	81,225	63,174

Village of Algonquin, Illinois

Waterworks and Sewerage Fund

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

Year Ended April 30, 2008

	Original Budget	Final Budget	Actual
Sewer department (continued)			
Contractual services (continued)			
Insurance	\$ 87,175	\$ 87,175	\$ 72,276
Publications	1,600	1,600	554
Printing	3,650	3,650	4,900
Equipment rental	2,600	2,600	7,380
Physical exams	700	700	184
Sludge removal	61,500	61,500	45,919
Travel/training/dues	13,550	13,550	8,636
Bank processing fees	15,000	15,000	14,617
Uniforms	7,800	7,800	9,181
Maintenance			
Alarm Lines	700	700	-
Treatment facility	53,650	53,650	32,420
Lift station	34,725	34,725	27,403
Collection station	13,950	13,950	14,419
Vehicle maintenance	45,300	45,300	30,532
Radio maintenance	300	300	301
Building maintenance	86,360	86,360	29,053
Equipment maintenance	29,920	29,920	18,590
Other	1,670	1,670	1,507
Capital outlay	6,553,800	8,441,064	8,730,728
Less capitalized amounts	(6,553,800)	(8,441,064)	(8,730,728)
Total sewer department	2,160,495	2,160,495	1,909,554
Non departmental			
Contractual services			
Engineering services	285,000	285,000	2,982
Legal services	10,000	10,000	51,296
Total non departmental	295,000	295,000	54,278
Total operating expenses	\$ 4,806,650	\$ 4,806,650	\$ 4,219,823

INTERNAL SERVICE FUNDS

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

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

Village of Algonquin, Illinois

Combining Statement of Net Assets - Internal Service Funds
April 30, 2008

	Building Service Fund	Vehicle Maintenance Fund	Total
Assets			
Current			
Cash and cash equivalents	\$ 803	\$ 37,358	\$ 38,161
Receivables			
Accounts	-	11,576	11,576
Inventory	25,248	100,752	126,000
Prepaid items	2,149	4,166	6,315
Total assets	28,200	153,852	182,052
Liabilities			
Current			
Accounts payable	\$ 28,200	\$ 65,688	\$ 93,888
Net Assets			
Unrestricted	\$ -	\$ 88,164	\$ 88,164

Village of Algonquin, Illinois

Combining Statement of Revenues, Expenses and Changes in Net Assets - Internal Service Funds
Year Ended April 30, 2008

	Building Service Fund	Vehicle Maintenance Fund	Total
Operating revenues			
Maintenance billings	\$ 479,833	\$ 1,096,895	\$ 1,576,728
Miscellaneous	-	557	557
Total operating revenues	479,833	1,097,452	1,577,285
Operating expenses	514,833	1,097,452	1,612,285
Operating loss	(35,000)	-	(35,000)
Transfers in	35,000	-	35,000
Change in net assets	-	-	-
Net assets - beginning	-	88,164	88,164
Net assets - ending	\$ -	\$ 88,164	\$ 88,164

Village of Algonquin, Illinois

Comining Statement of Cash Flows – Internal Service Funds
Year Ended April 30, 2008

	Building Service Fund	Vehicle Maintenance Fund	Total
Cash flows from operating activities			
Cash paid to suppliers	\$ (304,185)	\$ (821,673)	\$ (1,125,858)
Cash paid to employees	(209,845)	(280,913)	(490,758)
Cash received for interfund services provided	479,833	1,095,098	1,574,931
Net cash used for operating activities	<u>(34,197)</u>	<u>(7,488)</u>	<u>(41,685)</u>
Cash flows from noncapital financing activities			
Transfers in	<u>35,000</u>	<u>-</u>	<u>35,000</u>
Net increase (decrease) in cash and equivalents	803	(7,488)	(6,685)
Cash and equivalents - beginning	<u>-</u>	<u>44,846</u>	<u>44,846</u>
Cash and equivalents - ending	<u>\$ 803</u>	<u>\$ 37,358</u>	<u>\$ 38,161</u>
Reconciliation of operating loss to net cash used for operating activities			
Operating loss	<u>\$ (35,000)</u>	<u>\$ -</u>	<u>\$ (35,000)</u>
Adjustments to reconcile operating loss to net cash used for operating activities			
Changes in assets and liabilities			
Accounts receivable	-	(2,354)	(2,354)
Prepaid items	(2,149)	(250)	(2,399)
Inventory	(25,248)	(5,651)	(30,899)
Accounts payable	28,200	767	28,967
Total adjustments	<u>803</u>	<u>(7,488)</u>	<u>(6,685)</u>
Net cash used for operating activities	<u>\$ (34,197)</u>	<u>\$ (7,488)</u>	<u>\$ (41,685)</u>

Village of Algonquin, Illinois

Internal Service Fund - Building Service Fund

Schedule of Revenues, Expenses and
Changes in Net Assets - Budget and Actual
Year Ended April 30, 2008

	Original Budget	Final Budget	Actual
Operating revenues			
Charges for services			
Maintenance billings	\$ 618,800	\$ 618,800	\$ 479,833
Total operating revenues	<u>618,800</u>	<u>618,800</u>	<u>479,833</u>
Operating expenses			
Personnel	263,895	263,895	229,165
Contractual services	12,610	12,610	5,766
Supplies and materials	67,350	67,350	59,266
Maintenance	219,395	219,395	168,510
Other charges	14,550	14,550	7,201
Capital outlay	41,000	41,000	44,925
Total operating expenses	<u>618,800</u>	<u>618,800</u>	<u>514,833</u>
Operating loss	-	-	(35,000)
Transfers In	-	-	<u>35,000</u>
Change in net assets	<u>\$ -</u>	<u>\$ -</u>	-
Net assets - beginning			<u>-</u>
Net assets - ending			<u>\$ -</u>

Village of Algonquin, Illinois

Internal Service Fund - Building Service Fund

Schedule of Operating Expenses - Budget and Actual
Year Ended April 30, 2008

	Original Budget	Final Budget	Actual
Operating expenses			
Personnel			
IMRF	\$ 18,565	\$ 18,565	\$ 15,403
FICA	15,460	15,460	13,277
SUI	1,205	1,205	644
Health insurance	32,825	32,825	20,555
Salaries	185,840	185,840	169,626
Overtime	10,000	10,000	9,660
	<u>263,895</u>	<u>263,895</u>	<u>229,165</u>
Contractual services			
Telephone	1,970	1,970	2,210
Natural gas	6,750	6,750	3,238
Professional services	200	200	230
Publications	750	750	-
Printing and advertising	460	460	88
Equipment rental	2,130	2,130	-
Physical Exams	350	350	-
	<u>12,610</u>	<u>12,610</u>	<u>5,766</u>
Supplies and materials			
Office supplies	600	600	89
Postage	200	200	-
Building supplies	59,600	59,600	56,285
Tools, equipment and supplies	450	450	75
Fuel	6,500	6,500	2,817
	<u>67,350</u>	<u>67,350</u>	<u>59,266</u>

(Continued)

Village of Algonquin, Illinois

Internal Service Fund - Building Service Fund

Schedule of Operating Expenses - Budget and Actual (Continued)

Year Ended April 30, 2008

	Original Budget	Final Budget	Actual
Operating expenses (continued)			
Maintenance			
Vehicle maintenance	\$ 5,500	\$ 5,500	\$ -
Equipment maintenance	2,500	2,500	-
Radio maintenance	150	150	-
Building services	20	20	12,979
Outsourced building maintenance	210,925	210,925	155,307
Office equipment maintenance	300	300	224
	<u>219,395</u>	<u>219,395</u>	<u>168,510</u>
Other charges			
Travel, training and dues	12,100	12,100	4,351
Uniforms and safety items	2,450	2,450	2,850
	<u>14,550</u>	<u>14,550</u>	<u>7,201</u>
Capital outlay			
Capital purchase	<u>41,000</u>	<u>41,000</u>	<u>44,925</u>
Total operating expenses	<u>\$ 618,800</u>	<u>\$ 618,800</u>	<u>\$ 514,833</u>

Village of Algonquin, Illinois

Internal Service Fund - Vehicle Maintenance Fund

Schedule of Revenues, Expenses and
Changes in Net Assets - Budget and Actual
Year Ended April 30, 2008

	Original Budget	Final Budget	Actual
Operating revenues			
Charges for services			
Maintenance billings	\$ 665,725	\$ 694,888	\$ 694,888
Fire district fuel	48,300	63,066	63,066
Fuel billings	252,815	336,486	336,486
Warranty billings	-	2,455	2,455
Miscellaneous	-	557	557
Total operating revenues	<u>966,840</u>	<u>1,097,452</u>	<u>1,097,452</u>
Operating expenses			
Personnel	287,050	287,050	280,913
Contractual services	23,660	23,661	22,762
Supplies and materials	523,150	653,761	685,575
Maintenance	100,450	100,450	79,262
Other charges	18,530	18,530	15,688
Capital outlay	14,000	14,000	13,252
Total operating expenses	<u>966,840</u>	<u>1,097,452</u>	<u>1,097,452</u>
Change in net assets	<u>\$ -</u>	<u>\$ -</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, 2008

	Original Budget	Final Budget	Actual
Operating expenses			
Personnel			
IMRF	\$ 19,350	\$ 19,350	\$ 17,834
FICA	16,050	16,050	14,782
SUI	1,050	1,050	572
Health insurance	41,425	41,425	46,576
Salaries	201,175	201,175	187,953
Overtime	8,000	8,000	13,196
	<u>287,050</u>	<u>287,050</u>	<u>280,913</u>
Contractual services			
Telephone	2,710	2,710	3,845
Natural gas	10,500	10,500	7,646
Professional services	6,800	6,800	3,290
Publications	700	700	547
Printing and advertising	960	960	6,316
Equipment rental	1,640	1,640	934
Physical exams	350	350	184
	<u>23,660</u>	<u>23,660</u>	<u>22,762</u>
Supplies and materials			
Office supplies	1,200	1,200	518
Postage	200	200	22
Building supplies	-	-	2,455
Tools, equipment and supplies	14,570	14,570	16,640
Fuel	307,200	405,637	411,008
Oil, lubricants, and fluids	192,830	225,004	248,617
Office furniture and equipment	7,150	7,150	6,315
	<u>523,150</u>	<u>653,761</u>	<u>685,575</u>

(Continued)

Village of Algonquin, Illinois

Internal Service Fund - Vehicle Maintenance Fund

Schedule of Operating Expenses - Budget and Actual (Continued)

Year Ended April 30, 2008

	Original Budget	Final Budget	Actual
Operating expenses (continued)			
Maintenance			
Vehicle maintenance	\$ 5,000	\$ 5,000	\$ 9,473
Equipment maintenance	1,500	1,500	16,259
Radio maintenance	150	150	-
Building maintenance	48,500	48,500	15,800
Outsourced vehicle and equipment maintenance	45,000	45,000	37,092
Office equipment maintenance	300	300	638
	<u>100,450</u>	<u>100,450</u>	<u>79,262</u>
Other charges			
Travel, training and dues	12,250	12,250	8,588
Uniforms and safety items	6,280	6,280	7,100
	<u>18,530</u>	<u>18,530</u>	<u>15,688</u>
Capital outlay			
Capital purchase	14,000	14,000	13,252
	<u>14,000</u>	<u>14,000</u>	<u>13,252</u>
Total operating expenses	<u>\$ 966,840</u>	<u>\$ 1,097,451</u>	<u>\$ 1,097,452</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, 2008

	Original Budget	Final Budget	Actual
Additions			
Contributions			
Employer	\$ 444,960	\$ 444,960	\$ 445,268
Participants	357,590	357,590	334,703
	<u>802,550</u>	<u>802,550</u>	<u>779,971</u>
Investment income			
Net appreciation in fair value of investments	281,200	281,200	141,508
Interest income	249,750	254,036	236,377
Less investment expenses	<u>(30,500)</u>	<u>(34,786)</u>	<u>(54,361)</u>
	<u>500,450</u>	<u>500,450</u>	<u>323,524</u>
Total additions	<u>1,303,000</u>	<u>1,303,000</u>	<u>1,103,495</u>
Deductions			
Administration	13,500	13,500	5,177
Pension benefits and refunds	<u>228,000</u>	<u>228,000</u>	<u>216,748</u>
Total deductions	<u>241,500</u>	<u>241,500</u>	<u>221,925</u>
Change in net assets	<u>\$ 1,061,500</u>	<u>\$ 1,061,500</u>	881,570
Net assets - beginning			<u>8,086,877</u>
Net assets - ending			<u>\$ 8,968,447</u>

Village of Algonquin, Illinois

Agency Fund - Developer Deposits

Statement of Changes in Assets and Liabilities
Year Ended April 30, 2008

	Balance, May 1	Additions	Deductions	Balance, April 30
<hr/>				
Assets				
Cash and cash equivalents	\$ 757,300	\$ 660,901	\$ 548,609	\$ 869,592
	<hr/>			
Liabilities				
Deposits	\$ 757,300	\$ 660,901	\$ 548,609	\$ 869,592
	<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, 2008

Assets

Governmental funds capital assets

Land	\$ 101,034,823
Buildings	15,976,573
Improvements other than buildings	11,242,512
Vehicles and equipment	5,906,781
Streets/storm sewers/bridges	90,169,837
Construction in progress	<u>1,588,815</u>

Total governmental funds capital assets	<u><u>\$ 225,919,341</u></u>
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Investment in Governmental Funds Capital Assets By Source

From current revenues and developer donations	\$ 207,938,692
Debt issuance	11,585,000
Intergovernmental	<u>6,395,649</u>

Total governmental funds capital assets	<u><u>\$ 225,919,341</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, 2008

	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	\$ 1,567,360	\$ 2,798,906	\$ -	\$ -	\$ 12,748,084
Public safety	-	-	-	621,375	-	-	621,375
Public works	98,068,210	10,561,368	9,675,152	2,486,500	90,169,837	1,588,815	212,549,882
	<u>\$ 101,034,823</u>	<u>\$ 15,976,573</u>	<u>\$ 11,242,512</u>	<u>\$ 5,906,781</u>	<u>\$ 90,169,837</u>	<u>\$ 1,588,815</u>	<u>\$ 225,919,341</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, 2008

	Balance May 1, 2007	Additions	Deletions	Balance April 30, 2008
General government	\$ 12,345,322	\$ 502,801	\$ 100,039	\$ 12,748,084
Public safety	535,653	163,304	77,582	621,375
Public works	209,460,068	5,419,263	2,329,449	212,549,882
	<u>\$ 222,341,043</u>	<u>\$ 6,085,368</u>	<u>\$ 2,507,070</u>	<u>\$ 225,919,341</u>

OTHER SUPPLEMENTARY INFORMATION

Village of Algonquin, Illinois

Long-Term Debt Requirements

General Obligation Refunding Bonds, Series 2001A

April 30, 2008

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	
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
	<u>\$ 83,644</u>	<u>\$ 1,410,000</u>	<u>\$ 83,644</u>	<u>\$ 1,577,288</u>

Village of Algonquin, Illinois

Long-Term Debt Requirements

General Obligation Refunding Bonds, Series 2001B

April 30, 2008

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	
2009	\$ 15,641	\$ 390,000	\$ 15,641	\$ 421,282
2010	7,109	325,000	7,109	339,218
	<u>\$ 22,750</u>	<u>\$ 715,000</u>	<u>\$ 22,750</u>	<u>\$ 760,500</u>

Village of Algonquin, Illinois

Long-Term Debt Requirements

Waterworks and Sewerage Revenue Refunding Bonds, Series 2002

April 30, 2008

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	
2009	\$ 4,275	\$ 225,000	\$ 4,275	\$ 233,550

Village of Algonquin, Illinois

Long-Term Debt Requirements
General Obligation Bonds, Series 2002A
April 30, 2008

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	
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>\$ 334,287</u>	<u>\$ 3,035,000</u>	<u>\$ 334,287</u>	<u>\$ 3,703,574</u>

Village of Algonquin, Illinois

Long-Term Debt Requirements
General Obligation Bonds, Series 2002B
April 30, 2008

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	\$ 451,160	\$ 223,840	\$ 675,000
2017	427,123	247,877	675,000
2018	403,973	271,027	675,000
2019	395,843	304,157	700,000
2020	373,664	326,336	700,000
2021	280,125	279,875	560,000
	<u>\$ 2,331,888</u>	<u>\$ 1,653,112</u>	<u>\$ 3,985,000</u>

Village of Algonquin, Illinois

Long Term Debt Obligations
General Obligation Bonds, Series 2005A
April 30, 2008

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	
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>\$ 2,061,343</u>	<u>\$ 8,975,000</u>	<u>\$ 2,061,343</u>	<u>\$ 13,097,687</u>

Village of Algonquin, Illinois

Long Term Debt Obligations
General Obligation Bonds, Series 2005B
April 30, 2008

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	
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>\$ 579,688</u>	<u>\$ 2,935,000</u>	<u>\$ 579,688</u>	<u>\$ 4,094,376</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>
Financial Trends	106-111
These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	
Revenue Capacity	112-117
These schedules contain information to help the reader assess the factors affecting the Village's ability to generate its property and sales taxes.	
Debt Capacity	118-121
These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.	
Demographic and Economic Information	122-124
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place and to help make comparisons over time and with other governments.	
Operating Information	125-127
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 Five Fiscal Years

	Fiscal Year				
	2004	2005	2006	2007	2008
Governmental Activities					
Invested in Capital Assets Net of Related Debt	\$ 151,374,388	\$ 183,288,852	\$ 183,861,002	\$ 181,289,769	\$ 185,504,246
Restricted	1,641,311	1,109,522	1,143,253	6,507,747	5,615,510
Unrestricted	5,633,822	7,566,682	10,808,910	8,448,512	6,286,051
Total Governmental Activities	\$ 158,649,521	\$ 191,965,056	\$ 195,813,165	\$ 196,246,028	\$ 197,405,807
Business-type Activities					
Invested in Capital Assets Net of Related Debt	\$ 46,225,747	\$ 66,551,245	\$ 62,525,345	\$ 67,709,537	\$ 74,099,851
Restricted	681,047	676,399	1,150,782	785,446	804,588
Unrestricted	8,415,453	5,103,093	9,517,702	6,085,709	2,254,481
Total Business-type Activities	\$ 55,322,247	\$ 72,330,737	\$ 73,193,829	\$ 74,580,692	\$ 77,158,920
Total					
Invested in Capital Assets Net of Related Debt	\$ 197,600,135	\$ 249,840,097	\$ 246,386,347	\$ 248,999,306	\$ 259,604,097
Restricted	2,322,358	1,785,921	2,294,035	7,293,193	6,420,098
Unrestricted	14,049,275	12,669,775	20,326,612	14,534,221	8,540,532
Total Primary Government	\$ 213,971,768	\$ 264,295,793	\$ 269,006,994	\$ 270,826,720	\$ 274,564,727

Data Source

Audited Financial Statements

Village of Algonquin, Illinois
Change in Net Assets
Last Five Fiscal Years

	Fiscal Year				
	2004	2005	2006	2007	2008
Expenses					
Governmental Activities					
General Government	\$ 3,431,227	\$ 5,287,207	\$ 4,382,832	\$ 7,486,196	\$ 4,378,364
Public Safety	5,460,846	5,681,127	6,808,738	6,023,380	6,987,936
Public Works	5,710,739	7,383,989	7,655,372	7,567,852	9,844,829
Interest	364,595	359,523	428,104	440,111	378,502
Total Governmental Activities Expenses	14,967,407	18,711,846	19,275,046	21,517,539	21,589,631
Business-type Activities					
Water and Sewer	5,598,450	9,660,213	6,838,648	7,530,363	7,600,797
Total Business-type Activities Expenses	5,598,450	9,660,213	6,838,648	7,530,363	7,600,797
Total Primary Government Expenses	\$ 20,565,857	\$ 28,372,059	\$ 26,113,694	\$ 29,047,902	\$ 29,190,428
Program Revenues					
Governmental Activities					
Charges for Services					
General Government	\$ 1,361,652	\$ 2,041,643	\$ 1,510,482	\$ 1,523,407	\$ 1,266,281
Public Safety	890,323	853,227	645,748	610,043	715,082
Public Works	75,090	86,102	34,570	105,074	78,279
Operating Grants and Contributions	2,569,938	3,485,828	1,604,390	1,213,851	1,156,090
Capital Grants and Contributions	16,116,299	32,715,967	4,109,196	1,586,198	1,487,548
Total Governmental Activities					
Program Revenues	21,013,302	39,182,767	7,904,386	5,038,573	4,703,280
Business-type Activities					
Charges for Services					
Water and Sewer	5,933,858	8,026,313	7,273,018	5,665,128	5,602,144
Operating Grants and Contributions	1,108,796	499,280	3,200	1,090	54,641
Capital Grants and Contributions	5,864,326	17,961,942	179,541	-	465,381
Total Business-type Activities					
Program Revenues	12,906,980	26,487,535	7,455,759	5,666,218	6,122,166
Total Primary Government					
Program Revenues	\$ 33,920,282	\$ 65,670,302	\$ 15,360,145	\$ 10,704,791	\$ 10,825,446
Net (Expense) Revenue					
Governmental Activities	\$ 6,045,895	\$ 20,470,921	\$ (11,370,660)	\$ (16,478,966)	\$ (16,886,351)
Business-type Activities	7,308,530	16,827,322	617,111	(1,864,145)	(1,478,631)
Total Primary Government Net (Expense) Revenue	\$ 13,354,425	\$ 37,298,243	\$ (10,753,549)	\$ (18,343,111)	\$ (18,364,982)

(Continued)

Village of Algonquin, Illinois

Change in Net Assets (Continued)
Last Five Fiscal Years

	Fiscal Year				
	2004	2005	2006	2007	2008
General Revenues and Other Changes in Net Assets					
Governmental Activities					
Taxes					
Property	\$ 3,296,024	\$ 3,889,332	\$ 4,266,257	\$ 4,720,450	\$ 5,168,603
Sales	3,569,189	4,105,890	5,573,263	6,543,069	6,510,307
Income and Use	1,732,317	2,231,053	2,496,391	2,771,039	3,426,760
Utility	1,070,443	1,145,222	1,397,896	1,739,948	1,023,062
Other	1,135,522	1,219,739	1,124,126	512,757	899,998
Investment Earnings	126,958	158,115	325,513	615,840	601,941
Miscellaneous	(407,067)	95,263	35,323	8,726	415,459
Total Governmental Activities	10,523,386	12,844,614	15,218,769	16,911,829	18,046,130
Business-type Activities					
Sales	-	-	-	2,568,447	3,567,652
Investment Earnings	114,704	181,168	245,981	577,561	230,995
Miscellaneous	(250,395)	-	-	105,000	258,212
Total Business-type Activities	(135,691)	181,168	245,981	3,251,008	4,056,859
Total Primary Government	\$ 10,387,695	\$ 13,025,782	\$ 15,464,750	\$ 20,162,837	\$ 22,102,989
Change in Net Assets					
Governmental Activities	\$ 16,569,281	\$ 33,315,535	\$ 3,848,109	\$ 432,863	\$ 1,159,779
Business-type Activities	7,172,839	17,008,490	863,092	1,386,863	2,578,228
Total Primary Government					
Change in Net Assets	\$ 23,742,120	\$ 50,324,025	\$ 4,711,201	\$ 1,819,726	\$ 3,738,007

Data Source

Audited Financial Statements

Village of Algonquin, Illinois

Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Reserved	\$ 376,404	\$ 114,531	\$ 65,287	\$ -	\$ 56,663	\$ 67,970	\$ 73,572	\$ 73,689	\$ 489,665	\$ 128,273
Designated	-	-	-	-	-	-	-	-	439,570	370,413
Unreserved	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	7,240,821
Total General Fund	\$ 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	\$ 7,739,507
All Other Governmental Funds										
Reserved	\$ 1,170,447	\$ -	\$ -	\$ -	\$ -	\$ 2,135,363	\$ 1,570,213	\$ 6,453,623	\$ 6,095,826	\$ 5,580,401
Unreserved, reported in										
Special Revenue Funds	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	2,347,141
Capital Project Funds	87,445	654,065	1,543,668	7,850,974	2,719,338	31,162	(21,899)	74,556	74,556	80,778
Debt Service Funds	-	498,407	537,517	582,010	595,259	-	-	-	-	-
Total All Other Governmental Funds	\$ 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	\$ 8,008,320

Data Source

Audited Financial Statements

Village of Algonquin, Illinois

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues										
Taxes	\$ 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	\$ 17,517,779
Licenses and Permits	520,591	703,225	1,130,910	1,195,121	1,081,629	711,050	1,564,632	1,111,868	798,701	716,764
Intergovernmental, grants and contributions	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	1,328,505
Charges for Services	703,333	980,895	838,563	849,321	902,084	811,630	557,327	480,582	815,555	696,065
Fines and Forfeitures	443,505	514,247	523,258	641,270	564,154	804,387	859,013	576,564	583,982	615,449
Investment Income	341,108	431,559	640,433	442,898	378,085	126,958	158,115	325,514	615,840	601,942
Miscellaneous	605,060	815,751	591,643	1,147,376	772,364	148,336	135,415	65,359	76,337	74,794
Total Revenues	9,523,385	11,524,053	13,192,698	13,800,430	14,774,956	15,893,180	19,262,765	19,703,539	20,829,496	21,551,298
Expenditures										
General Government	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	4,018,830
Public Safety	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	6,784,724
Highways and Streets	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	6,609,056
Culture and Recreation	519,019	627,698	593,221	1,044,047	1,749,971	-	-	-	-	-
Miscellaneous	-	-	-	47,480	54,879	-	-	-	-	-
Capital Outlay	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	2,516,044
Debt Service										
Principal	150,000	260,000	300,000	380,000	365,000	385,000	463,181	504,547	543,317	597,355
Interest	265,180	229,175	215,202	152,403	297,446	271,768	261,888	296,134	331,567	307,192
Total Expenditures	8,383,694	9,635,859	10,650,464	14,708,879	21,871,565	20,472,748	18,116,197	19,341,834	18,220,796	20,833,201
Excess of Revenues over (under)										
Expenditures	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	718,097

(Continued)

Village of Algonquin, Illinois

Changes in Fund Balances of Governmental Funds (Continued)

Last Ten Fiscal Years

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Other financing Sources (Uses)										
Transfers In	\$ 757,854	\$ 917,531	\$ 1,184,083	\$ 2,495,312	\$ 1,348,251	\$ 560,319	\$ 562,909	\$ 574,104	\$ 617,081	\$ 1,050,798
Transfers Out	(765,899)	(1,155,820)	(1,191,628)	(521,700)	(1,184,790)	(560,319)	(562,909)	(574,104)	(617,081)	(1,085,798)
Proceeds from Capital Lease	-	-	-	-	-	-	250,000	-	-	-
Proceeds from bonds	762,832	-	-	6,672,542	-	-	-	2,935,000	-	-
Discount on general obligation bonds	-	-	-	-	-	-	-	(24,874)	-	-
Transfer to refunded bond escrow	(749,834)	-	-	(1,883,335)	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	36,107	1,748	-	-	-
Total Other Financing Sources (Uses)	4,953	(238,289)	(7,545)	6,762,819	163,461	36,107	251,748	2,910,126	-	(35,000)
Net Change in Fund Balances	\$ 1,144,644	\$ 1,649,905	\$ 2,534,689	\$ 5,854,370	\$ (6,933,148)	\$ (4,543,461)	\$ 1,398,316	\$ 3,271,831	\$ 2,608,700	\$ 683,097
Debt Service as a Percentage of										
Noncapital Expenditures	6.22%	6.71%	6.22%	5.47%	5.58%	5.42%	4.87%	5.19%	5.58%	4.94%

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)
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
2007	919,421,895	179,848,425	14,279,170	2,341,302	1,115,890,792	0.4701	3,347,672,376	33.333%	10	17,450,000	22	6,504,500

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									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Village Direct Rates										
General Corporate	\$ 0.4883	\$ 0.4942	\$ 0.4888	\$ 0.5017	\$ 0.4559	\$ 0.4837	\$ 0.4765	\$ 0.4641	\$ 0.4642	\$ 0.4701
Overlapping Rates										
Fire Districts (4)	1.7775	1.8356	2.1062	2.0794	2.1951	2.0966	2.1202	2.0788	2.1485	2.1066
Kane County	0.4912	0.4772	0.4677	0.4529	0.4292	0.3578	0.3467	0.3367	0.3452	0.3322
Kane County Forest Preserve	0.1171	0.1985	0.1634	0.1520	0.1395	0.1270	0.1432	0.1905	0.1747	0.1974
McHenry County	0.6531	0.6482	0.6440	0.6380	0.6725	0.7153	0.7346	0.7278	0.7060	0.6871
McHenry County Conservation	0.1309	0.1282	0.1254	0.1808	0.1734	0.1663	0.1580	0.1490	0.1425	0.1738
Park Districts (3)	0.7728	0.7623	0.8198	0.7403	0.6960	0.7603	0.7577	0.7313	0.7121	0.6862
Public Libraries (3)	0.7004	0.7116	0.7017	0.7244	0.7484	0.7199	0.7104	0.6675	0.8695	0.8456
Road & Bridge (3)	0.3310	0.3162	0.3008	0.2898	0.2769	0.2587	0.2439	0.2335	0.2281	0.2210
Schools (4)	13.3086	13.2503	9.3110	9.5809	9.1332	8.6983	8.9773	9.0626	8.7973	8.5327
Townships (3)	0.3485	0.3425	0.3425	0.3341	0.3217	0.3051	0.2899	0.2753	0.2411	0.2527

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 Four Years Ago

Taxpayer	2007			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	\$ 30,140,007	1	2.70%	\$ 4,092,499	3	0.49%
Rubloff Oakridge Algonquin LLC	9,152,315	2	0.82%	-	-	0.00%
Meijer Stores LTD Partnership	5,831,980	3	0.52%	5,184,463	2	0.62%
RPA Shopping Center Ph. 1 LLC	5,770,000	4	0.52%	3,050,000	-	0.37%
Target Corporation	4,702,247	5	0.42%	3,983,003	4	0.48%
Wal-Mart Real Estate	4,379,678	6	0.39%	3,691,297	7	0.44%
LTF USA Real Estate LLC	3,973,566	7	0.36%	3,832,384	6	0.46%
HD Development of Md Inc.	3,651,457	8	0.33%	3,092,940	8	0.37%
Nickels Quarters LLC	3,168,766	9	0.28%	-	-	0.00%
Jewel Food Stores, Inc.	3,138,551	10	0.28%	-	-	0.00%
Woods creek Shopping Center	-	-	0.00%	7,752,396	1	0.93%
River Point Shopping Center	-	-	0.00%	3,966,659	5	0.48%
Algonquin Towne Center	-	-	0.00%	2,849,662	9	0.34%
Golf Club of Illinois	-	-	0.00%	2,173,217	10	0.26%
	<u>\$ 73,908,567</u>		<u>6.62%</u>	<u>\$ 43,668,520</u>		<u>3.23%</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
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	4,826,506	99.90%
2007	5,244,824	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									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Merchandise	\$ 394	\$ -	\$ -	\$ -	\$ -	\$ 137,617	\$ 1,058,941	\$ 1,040,830	\$ 1,134,546	\$ 1,181,247
Food	503,429	541,246	640,038	852,672	1,175,490	1,355,084	541,265	494,863	668,337	792,506
Drinking and Eating Places	171,132	186,363	206,762	241,338	294,464	326,706	380,648	573,544	625,786	632,570
Apparel	1,226	-	-	1,195	-	7,293	125,721	490,072	549,577	575,270
Furniture & H.H. & Radio	28,147	27,877	29,778	30,980	26,155	43,667	119,671	423,118	629,713	727,475
Lumber, Building, Hardware	28,579	45,088	319,595	326,660	340,652	369,377	349,357	313,334	324,388	341,289
Automobile and Filling Stations	110,888	117,587	137,134	133,934	165,283	305,002	980,034	1,067,088	1,110,196	1,159,194
Drugs and Miscellaneous Retail	237,164	250,054	268,698	311,220	301,959	316,753	391,772	587,094	775,525	870,839
Agriculture and All Others	154,776	174,389	161,648	194,278	206,661	121,758	142,410	165,951	184,814	192,069
Manufacturers	93,815	98,227	102,916	118,557	99,685	129,754	141,810	135,846	116,495	126,597
Total	\$ 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	\$ 6,599,056
Total Number of Payers	663	585	560	580	700	674	770	906	944	989
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%	0.75%	0.75%

Data Source

Illinois Department of Revenue

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

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

Village of Algonquin, Illinois

Direct and Overlapping Sales Tax Rates Last Ten Fiscal Years

Fiscal Year	Village Direct Rate	State Rate
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%
2008	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			
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
2008	9,016,888	11,600	10,385,000	225,000	19,638,488	1.76%	644.27

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	
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
2008	19,401,888	3,449,882	15,952,006	1.54%	523.33	1

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, 2008

Governmental unit	Gross Debt	Percentage Debt Applicable to the Village of Algonquin*	Village of Algonquin Share of Debt
Kane County	\$ 48,990,000	8.19%	\$ 4,012,281
McHenry County (3)	-	0.00%	-
McHenry County Conservation District	80,431,000	8.19%	6,587,299
Kane County Forest Preserve	260,115,866	1.94%	5,046,248
Dundee Township Park District	6,165,000	1.94%	119,601
Huntley Park District	20,622,000	9.82%	2,025,080
Dundee Township	14,695,000	15.31%	2,249,805
Algonquin Library	5,900,000	63.63%	3,754,170
Huntley Library	1,340,000	4.18%	56,012
Schools			
District No. 300	259,899,143	27.50%	71,472,264
District No. 158	87,952,359	10.34%	9,094,274
District No. 509	58,207,604	7.52%	4,377,212
District No. 528	-	0.00%	-
Subtotal, overlapping debt	<u>844,317,972</u>		<u>108,794,246</u>
Village of Algonquin direct debt	<u>\$ 19,638,517</u>	100.00%	<u>\$ 19,638,517</u>
Total direct and overlapping debt	<u><u>\$ 863,956,489</u></u>		<u><u>\$ 128,432,763</u></u>

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

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

Village of Algonquin, Illinois

Schedule of Legal Debt Margin

April 30, 2008

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					
1999	\$	2,821,141	\$	2,092,659	\$	728,482	\$	230,000	\$	285,051	1.41
2000		6,646,384		2,619,406		4,026,978		240,000		270,125	7.89
2001		7,745,259		2,997,515		4,747,744		255,000		254,300	9.32
2002		8,750,460		3,165,383		5,585,077		310,000		148,775	12.17
2003		8,398,757		3,285,507		5,113,250		210,000		49,610	19.70
2004		7,157,358		3,423,976		3,733,382		215,000		43,730	14.43
2005		8,706,761		3,908,619		4,798,142		205,000		37,710	19.77
2006		7,701,740		3,732,996		3,968,744		210,000		31,560	16.43
2007		8,917,226		4,029,257		4,887,969		210,000		24,946	20.80
2008		9,713,644		4,219,823		5,493,821		235,000		17,246	21.78

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
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%
2007	30,482	(A)	1,115,890,792		36,608	3.9%

(A) Actual

(E) Estimate

Note: Personal Income data not available

Village of Algonquin, Illinois

Principal Employers

Current Year and Ten Years Ago

Employer	2007			1998		
	Employees	Rank	% of Total Village Population	Employees	Rank	% of Total Village Population
Kenmode Tool and Engineering, Inc.	160	1	0.99%	125	4	2.00%
Village of Algonquin	153	2	0.95%	95	7	1.52%
Wauconda Tool and Engineering, Inc.	135	3	0.84%	130	3	2.08%
Meyer Material Co.	100	4	0.62%	30	10	0.48%
Duro-Life Corp.	80	5	0.50%	115	6	1.84%
Schiffmayer Plastics Corp.	75	6	0.46%	200	2	3.21%
Target Manufacturing Inc.	50	7	0.31%	-	-	0.00%
Algonquin State Bank	50	7	0.31%	50	8	0.80%
Burnex Corp.	30	8	0.19%	-	-	0.00%
Hanson Material Service Corp.	30	8	0.19%	-	-	0.00%
SubCon Mfg. Corp.	30	8	0.19%	-	-	0.00%
Everest Excavating, Inc.	30	8	0.19%	-	-	0.00%
Marshall Wolf Automation, Inc.	30	8	0.19%	-	-	0.00%
School District Number 300*	-	-	-	285	1	4.57%
Grecon Manufacturing Inc.	-	-	-	40	9	0.64%

Note: Data from 1999 was not available; data from 1998 used for comparison purposes.

Data Source

* Only schools located in the Village of Algonquin

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

Illinois Department of Employment Security . "Local Area Unemployment Statistics (LAUS)." LMI Source. July 15, 2008.

<http://lmi.ides.state.il.us/laus/townh2007.htm>

Village of Algonquin, Illinois

Full-Time Equivalent Employees Last Ten Fiscal Years

Full-Time-Equivalent Employees as of April 30										
Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government										
Administration	10	9	14	13	15	15	16	17	18	18
Community Development	9	8	10	11	11	11	10	12	12	12
Public Safety										
Police										
Officers	35	37	38	40	41	41	42	46	46	49
Civilians	8	11	10	12	14	14	14	7	7	9
Public Works										
Public Works Administration	8	6	9	7	7	7	8	9	9	7
Streets Department	8	9	10	12	12	12	13	14	14	15
Parks	7	7	9	12	12	13	13	14	14	14
Building Maintenance	0	0	0	0	0	0	0	0	0	3
Vehicle Maintenance	0	0	0	3	4	5	4	5	5	4
Water										
Water and Sewer	11	16	17	18	19	20	20	20	19	22
Total	96	103	117	128	135	138	140	144	144	153

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									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government										
Community Development										
Building permits issued	N/A	N/A	N/A	1,703	2,043	2,028	2,403	1,913	2,065	1,893
Building inspections conducted	N/A	N/A	N/A	15,600	9,800	9,911	12,414	9,463	6,517	4,290
Property maintenance inspections conducted	N/A	N/A	N/A	1,040	954	1,165	1,219	1,943	2,688	2,452
Public Safety										
Police										
Physical arrests	1,131	1,230	1,100	987	1,015	776	786	279	946	703
Parking violations	N/A	N/A	793	617	1,320	576	869	548	1,142	1,243
Traffic violations	4,446	5,201	5,304	8,078	9,237	5,940	6,075	2,057	6,394	6,684
Public Works										
Streets										
Street resurfacing (miles)	2.34	1.44	1.33	6.24	1.45	5.60	0.67	1.12	0.80	1.22
Potholes repaired	375	360	340	325	270	300	280	210	330	370
Parks and Recreation										
Park sites	14	15	16	17	18	19	20	20	21	22
Developed park acreage	141	184	185	199	234	247	251	251	253	155
Open space	144	149	154	154	197	273	273	273	273	512
Water										
New Connections (tap-ons)	N/A	N/A	N/A	632	296	365	440	400	400	21
Average daily consumption*	2,000	2,500	2,900	2,740	2,930	2,810	2,808	3,003	2,899	2,946
Peak daily consumption*	2,500	4,200	4,000	6,342	6,154	4,443	4,895	5,610	4,679	4,428
Wastewater										
Average daily sewage treatment**	2	2	2	2	2	3	3	3	3.2	3.0

* (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									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Geographic Patrol Areas	5	5	5	5	5	5	5	6	6	6
Public Works										
Streets										
Streets (miles)	N/A	N/A	N/A	N/A	N/A	200	248	248	249	249
Streetlights	48	48	58	100	130	130	160	160	228	228
Parks and Recreation										
Acreage	285	333	339	353	431	520	524	524	526	647
Playgrounds	11	11	12	13	14	15	16	16	17	18
Sites with baseball diamonds	7	7	7	8	9	9	9	9	9	9
Sites with soccer fields	7	8	8	9	10	10	11	11	11	11
Sites with basketball courts	8	8	9	10	11	12	13	13	13	14
Sites with tennis courts	30	3	3	4	4	4	4	4	4	5
Water										
Water mains (miles)	N/A	N/A	N/A	N/A	102	130	150	160	168	168
Fire hydrants	N/A	N/A	N/A	N/A	1,573	1,650	2,050	2,180	2,200	2,207
Storage capacity*	2.640	2.640	2.640	2.640	2.640	2.640	2.640	3.390	3.390	3.390
Wastewater										
Sanitary sewers (miles)	N/A	N/A	N/A	N/A	99	112	127	135	135	135
Treatment capacity*	1.946	1.927	2.252	3.030	2.799	3.027	2.872	2.834	2.980	2.828

Data Source

Various Village departments

* (thousands of gallons)