

# **Village of Algonquin, Illinois**

Comprehensive Annual Financial Report  
Year Ended April 30, 2009

# Village of Algonquin, Illinois

Comprehensive Annual Financial Report  
Year Ended April 30, 2009

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, 2009

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Village of Algonquin, Illinois  
Principal Officials

April 30, 2009

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Legislative

Village Board of Trustees

John C. Schmitt, Village President

Brian Dianis

Robert M. Smith

Jerry Glogowski

John Spella

Debby Sosine

Jim A. Steigert

Gerald S. Kautz, Clerk

Appointed Officials

William J. Ganek, Village Manager

John R. Walde, Treasurer



# Village of Algonquin

The Gem of the Fox River Valley

September 24, 2009

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, 2009, 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 2009 CAFR reflects the sixth 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's 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, 2009, 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 the 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, 2009, 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 requires 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:

The Village has informally 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 3.8 months of operating expenses which will improve the ability of the Village to withstand downturns in the economy. The Village recently initiated another General Fund 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 reserved amount at year end was \$.611 million.

The Village held its first municipal court session at Village Hall in fall 2008. Court is held on a monthly basis, and is presided over by a third party administrative law judge. Cases heard before the court includes parking tickets, property maintenance, red light, and other municipal code violations. With assistance from revenues from the traffic light enforcement program, the revenues collected by court fines and tickets cover the costs associated with operating the court. The goal of having a municipal court is to have a more convenient location for residents, reduce travel time for staff (who no longer have to travel to county courthouses for all of their cases), and increase compliance with local ordinances.

In 2008, the Village received 5,000 free compact fluorescent light bulbs (CFLs) for distribution to Algonquin residents from the Metropolitan Mayor's Caucus as part of a grant from the Northern Illinois Energy Project and Midwest Energy Efficiency Alliance. Along with the free bulbs, residents received an informational brochure on the benefits of CFLs and how to properly dispose of the bulbs. The CFLs were handed out to residents at public facilities and at local community events such as the Village's first electronics recycling event.

The Building Services Division began budgeting as a separate division of the Public Works Department in FY2008 in order to more accurately reflect funds expended on maintenance and operations of municipal facilities. All items, from HVAC maintenance to use of consumables, were tracked as part of this new internal services budget. Budgeting in this fashion allows staff to more closely analyze expenditures in this area and implement cost saving measures and efficiencies as appropriate, for example, through distribution of supplies by a Stock Coordinator, making adjustments to gas and electric contracts, and implementing upgrades to building control software.

Phase 6A expansion of the Wastewater Treatment Plant was completed as of FY2009 which increased the treatment process from 3 MGD to 5 MGD.

### **New Initiatives for 2009-2010**

**Communications.** The Village communicates with the public in a variety of fashions: the quarterly newsletter, the recreation brochure, the annual report/calendar, press releases, flyers, an emergency call out system, and the web site. This year, we have added two new forms of communication: e-News and a briefing specifically for the Village Board. The e-News is a subscriber-based electronic newsletter that is sent out to all subscribers via e-mail on a monthly basis. It highlights upcoming events and other timely municipal news. The briefing for the Village Board is a summary of press releases sent out during the month and other pertinent information.

**ECO Committee.** In order to foster collaboration amongst departments, avoid duplication of efforts, and explore and promote the Village's long-time commitment to environmentally friendly initiatives, activities, and programs, the Village formed its ECO Committee in summer 2008. ECO-ALGONQUIN is designed to bring together these wonderful programs and ideas to ENGAGE, CONSERVE, and OPTIMIZE our resources to work toward building a more sustainable Algonquin. Since its formation, the Committee has developed a comprehensive Environmental Action Plan to recognize partnerships, highlight environmental strategies, and outline priorities for programs for the coming years.

**Performance Measures and Budget Justification Worksheets.** In early 2009, Village staff participated in training provided by a performance measures expert from the International City/County Management Association (ICMA). Soon thereafter, we launched a pilot performance measurement program. Each division of the Village developed and starting tracking 2-5 performance measures as a management tool for analyzing how programs are performing and whether or not they are meeting stated goals.

### **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 a continuing increase in the unemployment rate with a June 2009 report of 9.8% up from 6.1% in the same period of last year. The rate, however, continues to be better than that of the State of Illinois and McHenry County as indicated by unemployment rates of 10.3% and 10.9%, respectively, for the same period. The statewide economy has begun to unfavorably impact Village finances as a major revenue source, state shared income tax, experienced a 1.0% decrease in the per capita distribution rate, the first since 2004. The state also continued to be slow in distributing the allocations which unfavorably impacts our investment income.

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. This year the shared sales tax collections resulted in a 1.1% decrease from FY08 due to the softening economy. Commercial growth in Algonquin, however, continued with an increase of 6.8% in the assessed value of commercial property while the total assessed value in the village increased 3.5%.

### **Debt Administration**

As of April 30, 2009, the Village had six outstanding debt issues, all of which were general obligation bonds. There were no new bonds issued this year. Outstanding were \$18,870,204 for general obligation bonds. Continuing its practice, the Village abated \$1,317,005 of the 2008 Tax Levy for 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**

Construction of the Wastewater Treatment Plant expansion was completed as of April 30, 2009. Bond Series 2005B had been issued with proceeds escrowed and paying interest costs until 2012 when Series 2002B will be called and retired. In other financial action, the Village completed the second 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, Street Improvement, Parks 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 and IMET), 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 -9.16% reflecting the turmoil and uncertainty in the national finance arena.

### **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, 2009, in funding 45.3% of the actuarial accrued liabilities. The actuarial valuation as stated in this report for FY2009, determined that the net contribution due from the Village is \$916,506. The remaining unfunded amount is being systematically funded over 24 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 8 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, 2008. This was the fifth 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 2009 budget document. This was the sixth 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 2009 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.

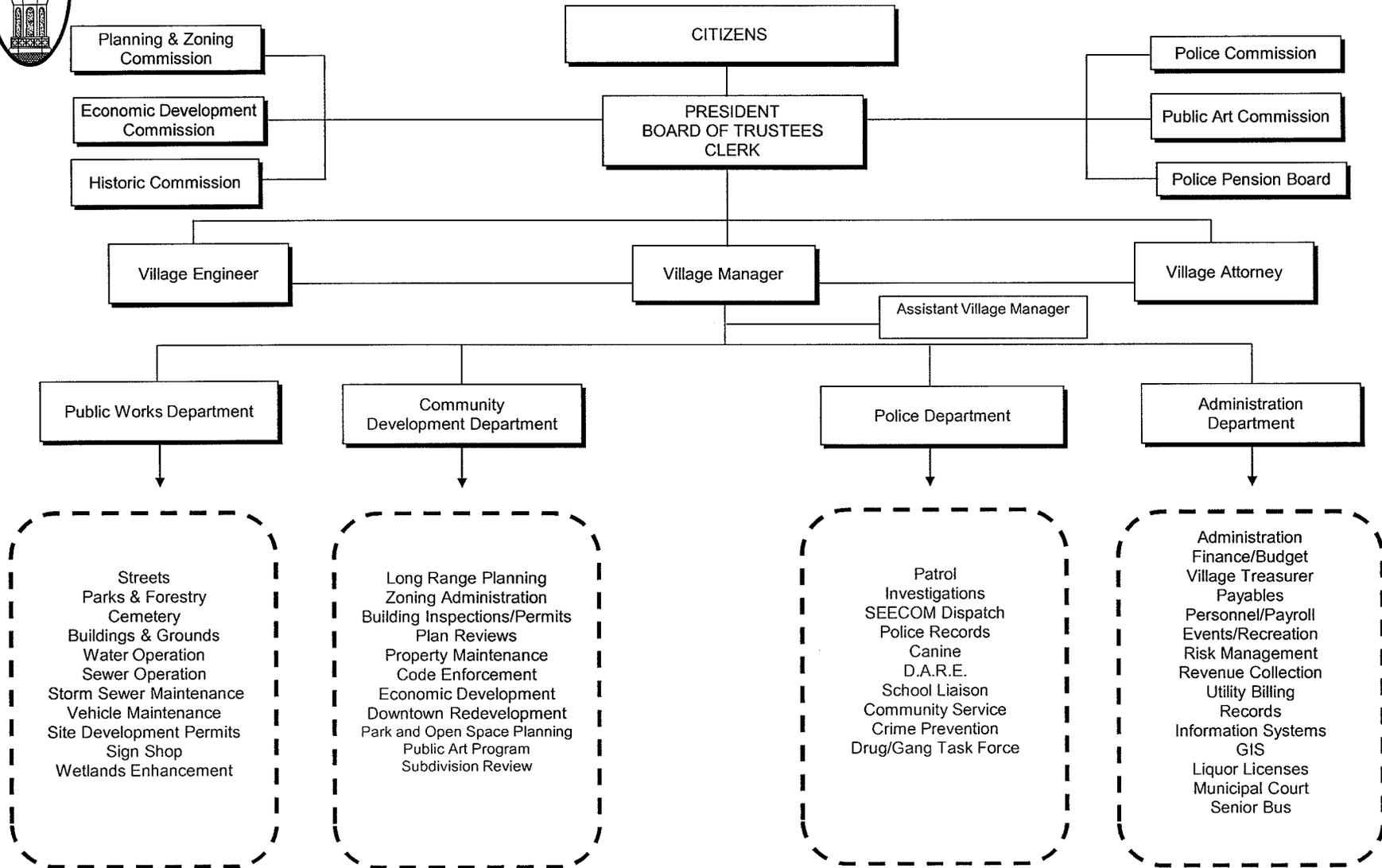
In closing, I would like to thank the Village President, Board of Trustees and Village Manager for their unflinching support for maintaining the highest standards of professionalism in the management of the Village of Algonquin's Finances.

Respectfully submitted,

John R. Walde  
Finance Director

# VILLAGE OF ALGONQUIN

## 2009-2010 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, 2008

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.



A handwritten signature in black ink, appearing to read "M. L. R. T.", written in a cursive style.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer", written in a cursive style.

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, 2009, 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, 2009, 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 54) and pension and other post-employment benefit related information (pages 55 - 57) 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  
September 24, 2009

VILLAGE OF ALGONQUIN, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
April 30, 2009

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The Village of Algonquin's (the "Village") management's discussion and analysis 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 decreased by \$3.1 million (or 1.2%) during the fiscal year ending April 30, 2009 (FY09). The governmental net assets decreased by \$4.5 million (or 2.3% from FY08) and the business-type activities net assets increased by \$1.4 million (or 1.8% from FY08).
- The Village's total change of net assets compared to FY08 decreased by \$6.8 million with the general governmental activities change in net assets decreased by \$5.6 million and the business-type activities change in net assets decreased by \$1.2 million.
- The governmental activities revenue increased by \$2.5 million (or 11.0%). This was due to an increase of \$2.3 million in capital grants/contributions, property tax revenues of \$.4 million, and charges for services of \$.1 million. These increases were offset with a decrease of \$.1 million in operating contributions, and \$.2 million in other tax revenues. The expenses increased by \$8.1 million (or 37.5%) due mainly to \$7.2 million in Public Works expenses related to a loss on capital asset disposals of \$8.6 million.
- The business-type activities revenue decreased by \$.1 million (or 1.0%). There was a \$.5 million decrease in other taxes, and a \$.1 million decrease in other revenues. This was offset by a \$.5 million increase in Capital Grants/Contributions.
- The total cost of all Village programs increased by \$9.2 million (or 31.5%).

### 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.

VILLAGE OF ALGONQUIN, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
April 30, 2009

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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 decreased by \$3.1 million from FY08 – decreasing from \$274.6 million to \$271.5 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 decreased \$4.5 million from \$197.4 million to \$192.9 million. The business-type activities net assets increased by \$1.4 million from \$77.2 million to \$78.6 million. Table 1 reflects the condensed Statement of Net Assets compared to FY08. 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, 2009 and 2008  
(in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 25.7	\$ 22.6	\$ 5.9	\$ 5.0	\$ 31.6	\$ 27.6
Capital assets	184.0	190.9	83.5	84.5	267.5	275.4
<b>Total assets</b>	<b>\$ 209.7</b>	<b>\$ 213.5</b>	<b>\$ 89.4</b>	<b>\$ 89.5</b>	<b>\$ 299.1</b>	<b>\$ 303.0</b>
Long-term liabilities	8.5	8.8	9.6	10.0	18.1	18.8
Other liabilities	8.3	7.3	1.2	2.3	9.5	9.6
<b>Total liabilities</b>	<b>\$ 16.8</b>	<b>\$ 16.1</b>	<b>\$ 10.8</b>	<b>\$ 12.3</b>	<b>\$ 27.6</b>	<b>\$ 28.4</b>
Net Assets:						
Invested in capital assets, net of debt	\$ 179.0	\$ 185.5	\$ 73.5	\$ 74.1	\$ 252.5	\$ 259.6
Restricted	6.3	5.6	0.4	0.8	6.7	6.4
Unrestricted	7.6	6.3	4.7	2.3	12.3	8.6
<b>Total net assets</b>	<b>\$ 192.9</b>	<b>\$ 197.4</b>	<b>\$ 78.6</b>	<b>\$ 77.2</b>	<b>\$ 271.5</b>	<b>\$ 274.6</b>

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

### Normal Impacts

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

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

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

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

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

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

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

### *Current Year Impacts*

The Village's \$3.1 million decrease of combined net assets (which is the Village's bottom line) was the result of the governmental activities net assets decreasing by \$4.5 million and the business-type activities increasing by \$1.4 million.

The governmental activities total assets decreased by \$3.8 million and the governmental activities total liabilities increased \$.7 million. The total assets decrease of \$3.8 million was a result of a decrease of \$6.9 million of capital assets which was offset by an increase of \$3.1 million in current and other assets. Current assets increased \$2.9 million in cash and investments resulting from decreased expenditures in the MFT fund of \$.8 million, and park development of \$.9 million. In the general fund, revenues exceeded expenditures by \$.6 million due to a cash reserve/contingency budget. Capital assets decreased by \$6.9 million as the Village had a decrease of \$5.4 million in land, \$.3 million in buildings, and \$2.2 streets, storm and bridge improvements. There was an increase in other improvements of \$.9 million and vehicles and equipment of \$.1 million.

There was an increase in total liabilities of \$.7 million from \$16.1 to \$16.8 million. The total liabilities increase was a result of an increase in current liabilities of \$1.0 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 \$.6 million increase in accounts 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  
April 30, 2009

The net assets of the business-type activities increased by \$1.4 million from \$77.2 to \$78.6 million. Total assets of the business-type activities decreased by \$.1 million from \$89.5 to \$89.4 million. The total assets decrease of \$.1 million was a result of an increase in current assets of \$.9 million and a decrease in capital assets of \$1.0 million. The current assets increase in the business-type activities occurred as a result of the retirement of the 2002 revenue bond which had covenants on certain cash and investments.

Total liabilities of the business-type activities decreased by \$1.5 million from \$12.3 million to \$10.8 million. Accounts payable decreased \$1.1 million from FY08 due to the fact that the current phase of construction for the wastewater treatment plant was completed. 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, 2009 and 2008  
(in millions)

Revenue	Governmental Activities		Business-Type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
<b>Program Revenues</b>						
Charges for Service	\$ 2.2	\$ 2.1	\$ 5.6	\$ 5.6	\$ 7.8	\$ 7.7
Operating Grants/Contributions	1.0	1.1	-	-	1.0	1.1
Capital Grants/Contributions	3.8	1.5	1.0	0.5	4.8	2.0
<b>General Revenue</b>						
Property	5.6	5.2	-	-	5.6	5.2
Other taxes	11.8	11.8	3.1	3.6	14.9	15.4
Other	0.8	1.0	0.4	0.5	1.2	1.5
<b>Total Revenue</b>	<b>25.2</b>	<b>22.7</b>	<b>10.1</b>	<b>10.2</b>	<b>35.3</b>	<b>32.9</b>
<b>Expenses</b>						
<b>Governmental Activities</b>						
General Government	4.6	4.4	-	-	4.6	4.4
Public Safety	7.7	7.0	-	-	7.7	7.0
Public Works	17.0	9.8	-	-	17.0	9.8
Interest	0.4	0.4	-	-	0.4	0.4
<b>Business Type</b>						
Water and Sewer	-	-	8.7	7.6	8.7	7.6
<b>Total Expenses</b>	<b>29.7</b>	<b>21.6</b>	<b>8.7</b>	<b>7.6</b>	<b>38.4</b>	<b>29.2</b>
<b>Change in Net Assets</b>	<b>(4.5)</b>	<b>1.1</b>	<b>1.4</b>	<b>2.6</b>	<b>(3.1)</b>	<b>3.7</b>
<b>Net assets - beginning</b>	<b>197.4</b>	<b>196.3</b>	<b>77.2</b>	<b>74.6</b>	<b>274.6</b>	<b>270.9</b>
<b>Net assets - ending</b>	<b>\$ 192.9</b>	<b>\$ 197.4</b>	<b>\$ 78.6</b>	<b>\$ 77.2</b>	<b>\$ 271.5</b>	<b>\$ 274.6</b>

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

*Normal Impacts*

Revenues:

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

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

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

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

Expenses:

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

**Increase in Authorized Personnel** – changes in service demand may cause the Village Board to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent 60.1% of the Village's operating costs.

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

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

Governmental Activities

Revenue:

Total revenues for Governmental Activities increased \$2.5 million from \$22.7 million to \$25.2 million. An increase of \$2.3 million in capital grants/contributions, property tax revenues of \$.4 million, and charges for services of \$.1 million attributed to the increase in total revenues. These increases were offset with a decrease of \$.1 million in operating grants/contributions, and \$.2 million in other revenues.

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 general fund property tax collections by \$.4 million or 8% because of the Village's higher equalized assessed valuation. The Village attempts to maintain its property tax rate and capture new revenues from growth. The Village's property tax rate was .470 in 2007 and .485 in 2008.

VILLAGE OF ALGONQUIN, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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In the general fund, state shared income and use tax revenues declined 16.2% from FY08 to FY09 due to the deterioration of the state's economy and higher unemployment figures.

General fund building permits increased by \$.2 million due, in part, to an increase in residential permits relating to storm damage.

Capital contributions increased by \$2.3 million from \$1.5 million to \$3.8 million. This was due to the receipt of a \$.4 million grant for park improvements and an increase in contributed land by developers of \$1.9 million.

**Expenses:**

The Village's governmental activities total expenses increased \$8.1 million for FY09.

The Village's General Government function expenses increased \$.2 million from \$4.4 million to \$4.6 million. The increase was due to a \$.1 million increase in personnel expenses and a \$.1 million increase in various other expenses.

Public Safety expenses increased \$.7 million from \$7.0 million to \$7.7 million. The Village had a \$.3 million increase in personnel, a \$.2 million increase in contractual services, and a \$.2 million increase in other charges.

Public Works expenses had increased \$7.2 million from \$9.8 million to \$17.0 million. There was an \$8.7 million increase in expenses due to the loss on disposal of capital assets. MFT expenses decreased \$.6 million due to a decrease in street rehabilitation projects. The street improvement fund expenses also decreased \$.9 million due to a decrease in street projects.

*Business-type Activities*

**Revenue:**

Total revenues for Business-type Activities decreased \$.1 million from \$10.2 to \$10.1 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 a \$.4 million park grant. Home rule sales tax decreased \$.5 million as 10% of total collections were allocated to the street fund in FY09. There was a \$.1 million decrease in other revenues.

**Expenses:**

The Village's Business-type Activities total expenses increased \$1.1 million from \$7.6 to \$8.7 million. Water and sewer utility operating expenses increased by \$.4 million. Depreciation expense increased \$.7 million due mainly from the wastewater treatment facility addition in FY09.

*FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS*

**Governmental Funds**

At April 30, 2009, the governmental funds (as presented on the balance sheet on page 18) reported a combined fund balance of \$17.8 million or an increase of 12.7% from \$15.8 million at the beginning of the year. Of the total fund balance, \$11.5 million is unreserved indicating availability for continuing Village services. The net increase in the Fund Balance of Governmental Funds was primarily due to an increase of \$3.0 million in total assets. This consisted of a \$2.8 million increase in current assets, \$.4 million increase in property tax receivable, and a \$.1 million decrease in other expenses. There was a \$1.1 million increase in total liabilities due to an increase in deferred revenue for property tax of \$.4 million, an increase in accounts payable of \$.6 million, and an increase in deferred revenues-other of \$.1 million. The increase in total assets can be attributed to the budget of \$1.0 million for a contingency/cash reserve increase in the general fund and a \$1.5 million reduction in expenditures for projects in the MFT fund and park fund.

*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 54. Actual spending was \$1.9 million less than the budget which was due to actual expenses less than actual of \$.1 million in general government, \$.6 million in public safety, \$.1 million in public works and \$1.1 million in capital outlay.

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

General Fund	Original Budget	Amended Budget	Actual
<b>Revenues</b>			
Taxes	\$ 16.672	\$ 16.672	\$ 15.633
Intergovernmental	0.127	0.130	0.102
Other	2.722	2.727	2.203
<b>Total</b>	<b>\$ 19.521</b>	<b>\$ 19.529</b>	<b>\$ 17.938</b>
<b>Expenditures and Transfers</b>			
Expenditures	\$ 18.514	\$ 18.603	\$ 16.698
Transfers	0.660	0.660	0.627
<b>Total</b>	<b>19.174</b>	<b>19.263</b>	<b>17.325</b>
<b>Change in Fund Balance</b>	<b>\$ 0.347</b>	<b>\$ 0.266</b>	<b>\$ 0.612</b>

VILLAGE OF ALGONQUIN, ILLINOIS  
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Capital Assets

At the end of fiscal year 2009, the Village had a combined total of capital assets of \$267.47 million invested in a broad range of capital assets including land, buildings, vehicles, streets, bridges, storm sewers, water mains and sanitary sewer lines. (See Table 4 below.) This amount represents a net decrease (including additions and deletions) of \$8.0 million.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Land	\$ 95.63	\$ 101.03	\$ 10.87	\$ 10.04	\$ 106.50	\$ 111.07
Construction in Progress	1.63	1.59	0.32	17.50	1.95	19.09
Buildings	12.82	13.14	14.73	11.61	27.55	24.75
Vehicles and Equipment	2.44	2.32	0.36	0.41	2.80	2.73
Improvements other than Building	9.09	8.23	-	-	9.09	8.23
Streets/Storm Sewers/ Bridges	62.39	64.62	-	-	62.39	64.62
Water and Sewer	-	-	57.19	44.97	57.19	44.97
<b>Total</b>	<b>\$ 184.00</b>	<b>\$ 190.93</b>	<b>\$ 83.47</b>	<b>\$ 84.53</b>	<b>\$ 267.47</b>	<b>\$ 275.46</b>

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
<b>Beginning Balance</b>	\$ 190.93	\$ 84.53	\$ 275.46
<b>Additions</b>			
Depreciable	3.23	18.88	22.11
Non-Depreciation	2.31	0.83	3.15
Construction in Progress	1.28	0.05	1.34
<b>Retirements</b>			
Depreciable	(0.14)	(0.05)	(0.19)
Non-Depreciation	(8.64)	-	(8.64)
Construction in Progress	(1.24)	(17.24)	(18.48)
Depreciation	(3.85)	(3.59)	(7.45)
Retirement	0.12	0.05	0.17
<b>Ending Balance</b>	\$ 184.01	\$ 83.47	\$ 267.47

The Governmental Activities net decrease of \$6.9 million in net Capital Assets was due mainly to a net decrease noted in land (\$5.4 million); street and storm sewers (\$2.2 million), and buildings (\$.3 million). This was offset with an increase in other improvements (\$.9 million), and vehicles and equipment (\$.1 million).

The Business-type Activities decrease of \$1.1 million net Capital Assets was primarily from the construction of Village projects. Construction in progress decreased \$17.2 million from the additions for the wastewater treatment plant which was offset by a net increase in water and sewer improvements of \$12.2 million, an increase in buildings of \$3.1 million, and an increase in land of \$.8 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 capital and infrastructure such as the expansion of the Wastewater Treatment Plant which should assist in the "pay as you go" philosophy. Beginning in FY 09, 10% of the Home Rule Sales Tax was allocated to the Street Improvement Fund with 90% remaining allocated to the Water and Sewer Improvement and Extension.

**VILLAGE OF ALGONQUIN, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
April 30, 2009**

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The Village currently has six general obligation bond series. A total of \$18.870 million of general obligation bonds were outstanding at April 30, 2009. 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 until the state economy improves and the state is able to operate a balanced budget without impairing local governments. Stability in both of these areas is reasonable as increases were noted in commercial EAV and new retail store openings continue. The financial condition of the State government, however, has had a negative effect on the Village of Algonquin during the past few years. State shared revenues (state income tax and use tax) had been reduced from 2000 levels on a per-capita basis until FY05. State shared allocations increased approximately 36% during the next three years, but began to soften in FY09. In addition, state distributions to local government continue to be late. Current estimates indicate that the 2010 per-capita allocations are shrinking versus the prior year. The Village continues to apply for park grants, and has been very successful in receiving awards. However, grant assistance is extremely competitive and park development has slowed.

Construction in the local housing market is slow as indicated by declining permits for commercial and residential construction. The Village's growth in sales tax revenues, EAV, and property tax receipts has been consistent in the past decade until the state and local economies began to slow in FY09. Sales tax revenues and property assessments are presently soft.

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.

### **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, 2009

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Current			
Cash and cash equivalents	\$ 8,613,153	\$ 1,655,322	\$ 10,268,475
Investments	8,202,098	2,406,000	10,608,098
Receivables			
Property taxes	5,601,009	-	5,601,009
Other taxes	2,749,169	-	2,749,169
Intergovernmental	60,870	-	60,870
Accounts	-	1,386,665	1,386,665
Accrued interest	42,772	6,671	49,443
Other	336,069	-	336,069
Inventory	122,841	-	122,841
Prepaid items	1,271	-	1,271
Restricted assets - investments	-	406,000	406,000
<b>Total current assets</b>	<b>25,729,252</b>	<b>5,860,658</b>	<b>31,589,910</b>
Noncurrent			
Net pension asset	23,459	-	23,459
Capital assets (net of accumulated depreciation)			
Land	95,629,414	10,868,940	106,498,354
Construction in progress	1,629,656	323,504	1,953,160
Water and sewer system	-	57,187,608	57,187,608
Buildings	12,819,498	14,731,795	27,551,293
Improvements other than buildings	9,094,256	-	9,094,256
Vehicles and equipment	2,442,115	362,272	2,804,387
Streets/storm sewers/bridges	62,385,846	-	62,385,846
<b>Total capital assets (net)</b>	<b>184,000,785</b>	<b>83,474,119</b>	<b>267,474,904</b>
<b>Total noncurrent assets</b>	<b>184,024,244</b>	<b>83,474,119</b>	<b>267,498,363</b>
<b>Total assets</b>	<b>\$ 209,753,496</b>	<b>\$ 89,334,777</b>	<b>\$ 299,088,273</b>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Net Assets - Continued  
April 30, 2009

	Governmental Activities	Business-Type Activities	Total
<b>Liabilities</b>			
Current			
Accounts payable	\$ 1,295,180	\$ 543,128	\$ 1,838,308
Accrued interest	21,798	34,178	55,976
Unearned revenue - property tax	5,601,009	-	5,601,009
Unearned revenue - other	230,436	-	230,436
Net other post-employment benefit obligation	20,214	-	20,214
Other liabilities	933	-	933
Compensated absences	668,888	102,490	771,378
General obligation bonds payable	465,000	485,000	950,000
<b>Total current liabilities</b>	<b>8,303,458</b>	<b>1,164,796</b>	<b>9,468,254</b>
Noncurrent			
Compensated absences payable	318,178	47,251	365,429
General obligation bonds payable, net	8,189,729	9,552,886	17,742,615
<b>Total noncurrent liabilities</b>	<b>8,507,907</b>	<b>9,600,137</b>	<b>18,108,044</b>
Total liabilities	16,811,365	10,764,933	27,576,298
<b>Net Assets</b>			
Invested in capital assets, net of related debt	179,027,466	73,436,233	252,463,699
Restricted for			
Donor programs	1,184,129	-	1,184,129
Cemetery purposes	245,525	-	245,525
Grant programs	1,301,458	-	1,301,458
Debt service	3,460,655	406,000	3,866,655
Other	89,780	-	89,780
Unrestricted	7,633,118	4,727,611	12,360,729
Total net assets	\$ 192,942,131	\$ 78,569,844	\$ 271,511,975

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Activities  
Year Ended April 30, 2009

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 4,618,093	\$ 1,416,942	\$ 121,226	\$ 3,450
Public safety	7,686,244	745,832	56,672	16,305
Public works	16,991,574	42,130	839,105	3,788,019
Interest expense	408,053	-	-	-
<b>Total governmental activities</b>	<b>29,703,964</b>	<b>2,204,904</b>	<b>1,017,003</b>	<b>3,807,774</b>
Business-type activities				
Water and sewer	8,708,844	5,624,824	34,040	959,913
<b>Total</b>	<b>\$ 38,412,808</b>	<b>\$ 7,829,728</b>	<b>\$ 1,051,043</b>	<b>\$ 4,767,687</b>

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

Change in net assets

Net assets - beginning

Net assets - ending

See Notes to Financial Statements.

Net (Expense), Revenue and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (3,076,475)	\$ -	\$ (3,076,475)
(6,867,435)	-	(6,867,435)
(12,322,320)	-	(12,322,320)
(408,053)	-	(408,053)
<u>(22,674,283)</u>	<u>-</u>	<u>(22,674,283)</u>
-	(2,090,067)	(2,090,067)
<u>(22,674,283)</u>	<u>(2,090,067)</u>	<u>(24,764,350)</u>
5,583,456	-	5,583,456
63,367	-	63,367
345,832	3,112,492	3,458,324
1,014,164	-	1,014,164
743,580	-	743,580
80,671	-	80,671
6,502,175	-	6,502,175
3,067,163	-	3,067,163
414,204	-	414,204
342,425	79,999	422,424
53,570	308,500	362,070
<u>18,210,607</u>	<u>3,500,991</u>	<u>21,711,598</u>
(4,463,676)	1,410,924	(3,052,752)
<u>197,405,807</u>	<u>77,158,920</u>	<u>274,564,727</u>
<u>\$ 192,942,131</u>	<u>\$ 78,569,844</u>	<u>\$ 271,511,975</u>

**Village of Algonquin, Illinois**

**Balance Sheet - Governmental Funds  
April 30, 2009**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 4,290,627	\$ 4,255,618	\$ 8,546,245
Investments	2,272,000	5,930,098	8,202,098
Receivables			
Property taxes	5,601,009	-	5,601,009
Other taxes	2,563,305	185,864	2,749,169
Intergovernmental	-	60,870	60,870
Accrued interest	16,371	26,401	42,772
Other	187,906	140,928	328,834
Due from other funds	248,500	-	248,500
Prepaid items	1,271	-	1,271
<b>Total assets</b>	<b>\$ 15,180,989</b>	<b>\$ 10,599,779</b>	<b>\$ 25,780,768</b>
<b>Liabilities</b>			
Accounts payable	\$ 351,444	\$ 834,916	\$ 1,186,360
Deferred revenues - property tax	5,601,009	-	5,601,009
Deferred revenues - other	875,278	108,391	983,669
Due to other funds	-	248,500	248,500
Other liabilities	933	-	933
<b>Total liabilities</b>	<b>6,828,664</b>	<b>1,191,807</b>	<b>8,020,471</b>
<b>Fund Balances</b>			
Reserved for			
Prepaid items	1,271	-	1,271
Donor program	-	1,184,129	1,184,129
Cemetery acquisition and perpetual care	-	245,525	245,525
Grant programs	-	1,301,458	1,301,458
Debt service	-	3,460,655	3,460,655
Other	89,780	-	89,780
Unreserved - designated	723,366	-	723,366
Unreserved			
General fund	7,537,908	-	7,537,908
Special revenue funds	-	3,088,941	3,088,941
Capital projects funds	-	127,264	127,264
<b>Total fund balances</b>	<b>8,352,325</b>	<b>9,407,972</b>	<b>17,760,297</b>
<b>Total liabilities and fund balances</b>	<b>\$ 15,180,989</b>	<b>\$ 10,599,779</b>	<b>\$ 25,780,768</b>

See Notes to Financial Statements.

**Village of Algonquin, Illinois**

**Reconciliation of the Balance Sheet - Governmental Funds  
to the Statement of Net Assets  
April 30, 2009**

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Total fund balances-governmental funds	\$ 17,760,297
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.	184,000,785
Revenues in the Statement of Activities that do not provide current financial resources are deferred in the funds.	753,233
An internal service fund is used by management to charge vehicle maintenance costs to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the Statement of Net Assets.	88,164
Some liabilities reported in the Statement of Net Assets do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds. These liabilities consist of:	
Accrued interest	(21,798)
Net other post-employment benefit obligation	(20,214)
Compensated absences	(987,066)
Unamortized bond discount	45,475
Net pension asset	23,459
General obligation bonds payable	<u>(8,700,204)</u>
Net assets of governmental activities	<u>\$ 192,942,131</u>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances –  
 Governmental Funds  
 Year Ended April 30, 2009

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Charges for services	\$ 376,154	\$ 144,263	\$ 520,417
Licenses and permits	934,656	-	934,656
Intergovernmental, grants and contributions	102,083	1,489,623	1,591,706
Fines, fees and forfeitures	679,299	15,600	694,899
Property taxes	5,583,456	-	5,583,456
Other taxes	10,049,443	1,983,481	12,032,924
Interest	119,188	223,237	342,425
Miscellaneous	95,618	32,383	128,001
Total revenues	<u>17,939,897</u>	<u>3,888,587</u>	<u>21,828,484</u>
Expenditures			
Current			
General government	3,915,446	244,457	4,159,903
Public safety	7,516,079	-	7,516,079
Public works	4,355,360	745,972	5,101,332
Debt service			
Principal	11,600	440,000	451,600
Interest and fiscal charges	118	281,660	281,778
Capital outlay	901,100	1,404,222	2,305,322
Total expenditures	<u>16,699,703</u>	<u>3,116,311</u>	<u>19,816,014</u>
Excess of revenues over expenditures	<u>1,240,194</u>	<u>772,276</u>	<u>2,012,470</u>
Other financing sources (uses)			
Transfers in	-	669,376	669,376
Transfers out	(627,376)	(42,000)	(669,376)
Total other financing sources (uses)	<u>(627,376)</u>	<u>627,376</u>	<u>-</u>
Net change in fund balances	612,818	1,399,652	2,012,470
Fund balances - beginning	<u>7,739,507</u>	<u>8,008,320</u>	<u>15,747,827</u>
Fund balances - ending	<u>\$ 8,352,325</u>	<u>\$ 9,407,972</u>	<u>\$ 17,760,297</u>

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, 2009

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Net change in fund balances-total governmental funds	\$	2,012,470
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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. (\$2,353,253 current additions less \$3,852,176 depreciation.)		(1,498,923)
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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		198,233
Contributions of capital assets		3,231,366

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		451,600

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		729
Increase in net other post-employment benefit obligation		(20,214)
Increase in compensated absences		(56,387)
Loss on disposal of capital assets		(8,656,275)
Decrease in accrued interest		1,589
Interest accreted on capital appreciation debt		(123,316)
Amortization of bond discount and issuance costs		(4,548)

Change in net assets of governmental activities	\$	<u>(4,463,676)</u>
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See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Net Assets - Proprietary Funds  
 April 30, 2009

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service Funds
<b>Assets</b>		
Current		
Cash and cash equivalents	\$ 1,655,322	\$ 66,908
Investments	2,406,000	-
Receivables		
Accounts	1,386,665	7,235
Interest	6,671	-
Inventory	-	122,841
Restricted assets - investments	406,000	-
<b>Total current assets</b>	<b>5,860,658</b>	<b>196,984</b>
Capital assets (net of accumulated depreciation)		
Land	10,868,940	-
Construction in progress	323,504	-
Water and sewer system	57,187,608	-
Buildings	14,731,795	-
Machinery and equipment	362,272	-
<b>Total noncurrent assets</b>	<b>83,474,119</b>	<b>-</b>
<b>Total assets</b>	<b>\$ 89,334,777</b>	<b>\$ 196,984</b>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Net Assets - Proprietary Funds - Continued  
 April 30, 2009

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service Funds
<b>Liabilities</b>		
Current		
Accounts payable	\$ 543,128	\$ 108,820
Accrued interest	34,178	-
Compensated absences payable	102,490	-
General obligation bonds payable	485,000	-
<b>Total current liabilities</b>	<u>1,164,796</u>	<u>108,820</u>
Noncurrent		
Compensated absences payable	47,251	-
General obligation bonds payable, net	9,552,886	-
<b>Total noncurrent liabilities</b>	<u>9,600,137</u>	<u>-</u>
Total liabilities	<u>10,764,933</u>	<u>108,820</u>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	73,436,233	-
Restricted for debt service	406,000	-
Unrestricted	4,727,611	88,164
Total net assets	<u>\$ 78,569,844</u>	<u>\$ 88,164</u>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds  
Year Ended April 30, 2009

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service Funds
Operating revenues		
Charges for services		
Water and sewer revenue	\$ 4,517,996	\$ -
Meter sales	31,425	-
Connection fees	933,775	-
Administration fee	63,833	-
Maintenance billings	-	1,833,970
Miscellaneous	77,795	1,646
Total operating revenues	<u>5,624,824</u>	<u>1,835,616</u>
Operating expenses excluding depreciation	<u>4,645,700</u>	<u>1,835,616</u>
Operating income before depreciation	979,124	-
Depreciation	<u>3,594,475</u>	-
Operating loss	<u>(2,615,351)</u>	-
Nonoperating revenues (expenses)		
Home rule sales tax	3,112,492	-
Insurance proceeds	308,500	-
Contributions - developers	160,535	-
Interest income	79,999	-
Interest expense and fiscal agent fees	(468,669)	-
Total nonoperating revenues (expenses)	<u>3,192,857</u>	-
Income before capital contributions	577,506	-
Capital contributions	<u>833,418</u>	-
Change in net assets	1,410,924	-
Net assets - beginning	<u>77,158,920</u>	<u>88,164</u>
Net assets - ending	<u>\$ 78,569,844</u>	<u>\$ 88,164</u>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Cash Flows – Proprietary Funds  
Year Ended April 30, 2009

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service Funds
Cash flows from operating activities		
Cash received from customers	\$ 5,708,542	\$ -
Cash paid to suppliers	(3,581,086)	(1,189,359)
Cash paid to employees	(2,195,388)	(621,851)
Cash received for interfund services provided	-	1,839,957
Net cash provided by (used for) operating activities	<u>(67,932)</u>	<u>28,747</u>
Cash flows from noncapital financing activities		
Home rule sales tax received	3,142,835	-
Insurance proceeds	308,500	-
Developer contributions	160,535	-
Net cash flows provided by noncapital financing activities	<u>3,611,870</u>	<u>-</u>
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(1,698,904)	-
Interest paid on bonds	(428,683)	-
Principal paid on general obligation bond maturities	(215,000)	-
Principal paid on revenue bond maturities	(225,000)	-
Net cash flows (used for) capital and related financing activities	<u>(2,567,587)</u>	<u>-</u>
Cash flows from investing activities		
Purchase of investments (certificates of deposit)	(3,979,000)	-
Sale of investments (certificates of deposit)	2,406,000	-
Interest on investments	74,044	-
Net cash flows (used for) investing activities	<u>(1,498,956)</u>	<u>-</u>
Net increase (decrease) in cash and equivalents	(522,605)	28,747
Cash and equivalents - beginning	<u>2,177,927</u>	<u>38,161</u>
Cash and equivalents - ending	<u>\$ 1,655,322</u>	<u>\$ 66,908</u>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Cash Flows – Proprietary Funds - Continued  
Year Ended April 30, 2009

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service Funds
Reconciliation of operating loss to net cash provided by (used for) operating activities		
Operating loss	\$ (2,615,351)	\$ -
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities		
Depreciation	3,594,475	-
Changes in assets and liabilities		
Accounts receivable	83,718	4,341
Prepaid items	22,545	6,315
Inventory	-	3,159
Accounts payable	(1,175,266)	14,932
Compensated absences	21,947	-
Total adjustments	<u>2,547,419</u>	<u>28,747</u>
Net cash provided by (used for) operating activities	<u>\$ (67,932)</u>	<u>\$ 28,747</u>
Summary of noncash capital and financing activities:		
Developer contributions of infrastructure	\$ 833,418	\$ -

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Fiduciary Net Assets

April 30, 2009

	Pension Trust Fund	Agency Fund
<b>Assets</b>		
Cash and cash equivalents	\$ 54,075	\$ 880,695
Investments		
U.S. government securities	3,176,472	-
U.S. agency securities	1,988,063	-
Mutual funds	2,753,281	-
Illinois Funds	62,460	-
Money market funds	292,508	-
Corporate debt securities	536,632	-
Interest receivable	46,850	-
	<hr/>	<hr/>
<b>Total assets</b>	8,910,341	880,695
<b>Liabilities</b>		
Deposits	-	880,695
	<hr/>	<hr/>
<b>Net Assets</b>		
Held in trust for pension benefits	\$ 8,910,341	\$ -
	<hr/> <hr/>	<hr/> <hr/>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Changes in Fiduciary Net Assets - Pension Trust Fund  
Year Ended April 30, 2009

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Additions	
Contributions	
Employer	\$ 677,063
Employee	375,497
	<u>1,052,560</u>
Investment income (expense)	
Net depreciation in fair value of investments	(1,010,602)
Interest income	204,371
Less investment expenses	(51,869)
	<u>(858,100)</u>
<b>Total additions</b>	<u>194,460</u>
Deductions	
Administration	6,850
Pension benefits and refunds	245,716
<b>Total deductions</b>	<u>252,566</u>
<b>Change in net assets</b>	(58,106)
Net assets - beginning	<u>8,968,447</u>
Net assets - ending	<u>\$ 8,910,341</u>

See Notes to Financial Statements.

## Village of Algonquin, Illinois

### Notes to Financial Statements

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

##### (a) Reporting Entity

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

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

**Government-wide Financial Statements:** The government-wide Statement of Net Assets and Statement of Activities report the overall financial activity of the Village. Eliminations have been made to minimize the double counting of internal activities of the Village. The financial activities of the Village consist of governmental activities, which are primarily supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for services.

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

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

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

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

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

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

## Village of Algonquin, Illinois

### Notes to Financial Statements

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

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

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

The Village administers the following major governmental funds:

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

The Village administers the following major proprietary fund:

**Waterworks and Sewerage Fund** – This fund accounts for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

The Village administers 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

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

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

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

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

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

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

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

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

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

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

##### (e) Investments

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

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

## Village of Algonquin, Illinois

### Notes to Financial Statements

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

##### (f) Property Taxes

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

Property taxes are billed, collected and remitted periodically by the County Treasurers of Kane and McHenry County, Illinois. A reduction for collection losses, based on historical collection experience, has been provided to reduce the taxes receivable to the estimated amount to be collected. That portion of the property taxes receivable which is not expected to be collected within sixty (60) days after year end is not considered to pay current liabilities and is, therefore, shown as deferred revenue. Since the 2008 property tax levy is levied to finance the operations of the fiscal year beginning May 1, 2009, the 2008 property tax levy is deferred (unearned) as of year end.

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

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items/expenses.

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

The Village has the following types of transactions between funds:

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

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

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

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

Village of Algonquin, Illinois

Notes to Financial Statements

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Note 1. Summary of Significant Accounting Policies (Continued)

(i) Capital Assets

Capital assets which include land, streets, storm sewers, bridges, water and sewer system, improvements other than building, machinery and equipment, and buildings are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$10,000, and an estimated useful life of greater than one year. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Expenditures for asset acquisitions and improvements are stated as capital outlay expenditures in the governmental funds.

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

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

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

	<u>Years</u>
Buildings	50
Streets/bridges	40 - 50
Vehicles and equipment	2 - 10
Water and sewer system	20 - 40
Improvements other than buildings	15 - 50

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

(j) Compensated Absences

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

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

## Village of Algonquin, Illinois

### Notes to Financial Statements

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

##### (k) Deferred Revenue

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

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

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

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

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

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

##### (m) Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally segregated for a specific purpose. Designated fund balances represent tentative plans for future use of financial resources. As of April 30, 2009, the General Fund has designated \$723,366 for capital equipment replacement. In proprietary funds, certain amounts are restricted under bond ordinance provisions pertaining to general obligation debt recorded in the Waterworks and Sewerage Fund.

##### (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.

##### (o) Reporting Changes

During the year, the Village combined certain nonmajor special revenue funds into one nonmajor special revenue fund (the Special Revenue Fund). The Community Development Block Grant Fund, Cul de sac Fund, Hotel/Motel Tax Fund and the School Donations Fund were previously reported as separate nonmajor special revenue funds.

## Village of Algonquin, Illinois

### Notes to Financial Statements

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

##### Budgetary Information

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

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

The budget may be amended by the governing body. The legal level of budgetary control is at the fund level.

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.

##### Actual Expenditures in Excess of Budget

The following funds had an excess of actual expenditures over budget at April 30, 2009:

Vehicle Maintenance Fund	\$	77,985
Police Pension Fund		6,435

##### Deficit Fund Balances in Individual Funds

The Public Swimming Pool Fund had a net deficit fund balance of \$333 at April 30, 2009.

#### 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, 2009, 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, 2009, 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	\$ 6,043,570	\$ 406,532	\$ 3,875,667	\$ 1,104,958	\$ 656,413
U.S. Agency Securities	1,988,063	-	1,987,729	334	-
Corporate Debt Securities	536,632	-	536,632	-	-
Money Market Funds*	292,508	292,508	-	-	-
Illinois Metropolitan Investment Fund*	392,937	-	392,937	-	-
Illinois Funds*	7,164,611	7,164,611	-	-	-
<b>Total investments</b>	<b>\$ 16,418,321</b>	<b>\$ 7,863,651</b>	<b>\$ 6,792,965</b>	<b>\$ 1,105,292</b>	<b>\$ 656,413</b>

\* Weighted average maturity is less than one year.

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Village's investment policy requires to the extent possible, to attempt to match investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Village will not directly invest in securities maturing more than two years from the date of purchase (excludes the Pension Fund). Reserve funds may be invested in securities exceeding two years if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds.

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

*Credit Risk.*

State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the Village's policy to limit its investments in these investment types to the top rating issued by NRSROs. As of April 30, 2009, the Village's investments were rated as follows:

Investment Type	Standard & Poors
US Agency Securities	AAA
Corporate Debt 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

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

##### *Custodial Credit Risk.*

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

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

##### *Concentration of Credit Risk.*

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

- No financial institution shall hold more than 40% of the Village's investment portfolio unless collateralized, exclusive of U.S. Treasury securities in safekeeping.
- Monies deposited at a financial institution shall not exceed 75% of the capital stock and surplus of that institution.
- Commercial paper shall not exceed 10% of the Village's investment portfolio.
- Deposits in the Illinois Public Treasurer's Investment Pool or Illinois Metropolitan Investment Fund shall not exceed 50% of the investment portfolio.
- Brokered certificates of deposit shall not exceed 25% of the Village's investment portfolio.

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

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

The Village and Police Pension Fund were not exposed to concentration of credit risk as of April 30, 2009.

##### *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	\$ 101,034,823	\$ 3,231,366	\$ 8,636,775	\$ 95,629,414
Construction in progress	1,588,815	1,282,719	1,241,878	1,629,656
Total capital assets not being depreciated	<u>102,623,638</u>	<u>4,514,085</u>	<u>9,878,653</u>	<u>97,259,070</u>
Capital assets being depreciated:				
Buildings	15,976,573	-	-	15,976,573
Improvements other than buildings	11,242,512	1,519,904	-	12,762,416
Vehicles and equipment	5,906,781	792,508	139,597	6,559,692
Streets/storm sewers/bridges	90,169,837	-	-	90,169,837
	<u>123,295,703</u>	<u>2,312,412</u>	<u>139,597</u>	<u>125,468,518</u>
Less accumulated depreciation for:				
Buildings	2,838,067	319,008	-	3,157,075
Improvements other than buildings	3,016,775	651,385	-	3,668,160
Vehicles and equipment	3,588,278	649,396	120,097	4,117,577
Streets/storm sewers/bridges	25,551,604	2,232,387	-	27,783,991
	<u>34,994,724</u>	<u>3,852,176</u>	<u>120,097</u>	<u>38,726,803</u>
Total capital assets being depreciated, net	<u>88,300,979</u>	<u>(1,539,764)</u>	<u>19,500</u>	<u>86,741,715</u>
Governmental activities capital assets, net	<u>\$ 190,924,617</u>	<u>\$ 2,974,321</u>	<u>\$ 9,898,153</u>	<u>\$ 184,000,785</u>

Village of Algonquin, Illinois

Notes to Financial Statements

Note 4. Capital Assets (Continued)

(b) Business-Type Activities

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

	Balance May 1	Additions	Deletions	Balance April 30
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 10,035,522	\$ 833,418	\$ -	\$ 10,868,940
Construction in progress	17,504,461	54,323	17,235,280	323,504
Total capital assets not being depreciated	<u>27,539,983</u>	<u>887,741</u>	<u>17,235,280</u>	<u>11,192,444</u>
Capital assets being depreciated:				
Buildings	13,937,306	3,466,000	-	17,403,306
Machinery and equipment	1,327,187	78,099	48,112	1,357,174
Water and sewer system	72,729,375	15,335,762	-	88,065,137
	<u>87,993,868</u>	<u>18,879,861</u>	<u>48,112</u>	<u>106,825,617</u>
Less accumulated depreciation for:				
Buildings	2,323,445	348,066	-	2,671,511
Machinery and equipment	913,351	129,663	48,112	994,902
Water and sewer system	27,760,783	3,116,746	-	30,877,529
	<u>30,997,579</u>	<u>3,594,475</u>	<u>48,112</u>	<u>34,543,942</u>
Total capital assets being depreciated, net	<u>56,996,289</u>	<u>15,285,386</u>	<u>-</u>	<u>72,281,675</u>
Business-type activities capital assets, net	<u>\$ 84,536,272</u>	<u>\$ 16,173,127</u>	<u>\$ 17,235,280</u>	<u>\$ 83,474,119</u>

(c) Depreciation Charged to Functions/Activities

Depreciation was charged to functions/activities as follows:

	Governmental Activities	Business-Type Activities
General government	\$ 475,079	\$ -
Public safety	141,728	-
Public works	3,235,369	-
Water and sewer	-	3,594,475
	<u>\$ 3,852,176</u>	<u>\$ 3,594,475</u>

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, 2009:

	Balance May 1, 2008	Additions	Retirements	Balance April 30, 2009	Due Within One Year
Compensated Absences Payable	\$ 930,679	\$ 1,145,546	\$ 1,089,159	\$ 987,066	\$ 668,888
General Obligation Bonds Payable*	9,016,888	123,316	440,000	8,700,204	465,000
Capital Lease	11,600	-	11,600	-	-
	<u>\$ 9,959,167</u>	<u>\$ 1,268,862</u>	<u>\$ 1,540,759</u>	<u>\$ 9,687,270</u>	<u>\$ 1,133,888</u>

\* Amount reported in the statement of net assets for governmental activities is net of an unamortized discount of \$45,475.

The following is a summary of long-term obligation activity associated with business-type activities for the year ended April 30, 2009:

	Balance May 1, 2008	Additions	Retirements	Balance April 30, 2009	Due Within One Year
Compensated Absences Payable	\$ 127,794	\$ 195,318	\$ 173,371	\$ 149,741	\$ 102,490
General Obligation Bonds Payable **	10,385,000	-	215,000	10,170,000	485,000
Revenue Bonds Payable	225,000	-	225,000	-	-
	<u>\$ 10,737,794</u>	<u>\$ 195,318</u>	<u>\$ 613,371</u>	<u>\$ 10,319,741</u>	<u>\$ 587,490</u>

\*\* Amount reported in the statement of net assets for the business-type activities is net of an unamortized discount of \$132,114.

The following is a summary of debt transactions of the Village for the year ended April 30, 2009:

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

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

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

Village of Algonquin, Illinois

Notes to Financial Statements

Note 5. Long-Term Obligations (Continued)

Description	Fund Debt Retired By	Balances May 1	Additions	Retirements	Balances April 30
<b>Governmental Activities:</b>					
<b>General Obligation Bonds -</b>					
General Obligation 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	\$ 715,000	\$ -	\$ 390,000	\$ 325,000
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	3,035,000	-	50,000	2,985,000
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	2,331,888	123,316 *	-	2,455,204
General Obligation Refunding Series 2005B \$2,925,999 Crossover Bonds due in annual installments of \$535,000 to \$650,000; interest at 3.875% to 3.95% through April 1, 2020.	Debt Service	2,935,000	-	-	2,935,000
<b>Total General Obligation Bonds - Governmental Activities</b>		<b>\$ 9,016,888</b>	<b>\$ 123,316</b>	<b>\$ 440,000</b>	<b>\$ 8,700,204</b>
* Principal accretion on capital appreciation bonds					
<b>Capital Lease -</b>					
Home State Bank capital lease \$250,000 capital lease for 4 squad cars, dump truck and Ford F350 Due in monthly payments of \$5,859, including interest at 6.0%, through July 1, 2008	General	\$ 11,600	\$ -	\$ 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
<b>General Obligation Bonds - Business-type Activities</b>					
General Obligation Refunding Series 2001A \$2,335,000 Alternate Revenue Source Bonds due in annual installments of \$40,000 to \$460,000; interest at 3.0% to 4.5%, through April 1, 2012	Waterworks and Sewerage	\$ 1,410,000	\$ -	\$ 180,000	\$ 1,230,000
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	Waterworks and Sewerage	8,975,000	-	35,000	8,940,000
Total General Obligation Bonds - Business type Activities		10,385,000	-	215,000	10,170,000
<b>Revenue Bonds - Business-type Activities</b>					
Revenue Bonds Series 2002 \$1,560,000 Waterworks and Sewerage Bonds due in annual installments of \$170,000 to \$250,000; interest at 2.8% to 3.8%, through April 1, 2009	Waterworks and Sewerage	225,000	-	225,000	-
Total Bonds - Business-type Activities		\$ 10,610,000	\$ -	\$ 440,000	\$ 10,170,000

As of April 30, 2009, 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
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	600,000	171,556	771,556	525,000	329,660	854,660
2015-2019	4,701,850	1,433,812	6,135,662	3,015,000	1,321,675	4,336,675
2020-2024	1,338,354	597,324	1,935,678	3,850,000	665,225	4,515,225
2025	-	-	-	875,000	36,313	911,313
Total	\$ 8,700,204	\$ 3,122,602	\$ 11,822,806	\$ 10,170,000	\$ 3,870,643	\$ 14,040,643

Village of Algonquin, Illinois

Notes to Financial Statements

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

**Refunding Transactions**

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

The net proceeds from the 2005B bonds of \$2,871,335 were placed in an escrow account and are invested 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).

**Note 6. Interfund Balances and Transfers**

Individual interfund balances and transfers for the Village at April 30, 2009 are shown as follows:

Receivable Fund	Payable Fund	Detail	Due From/To Other Funds
General	Nonmajor Governmental	Short-term loan	<u>\$ 248,500</u>
Transfer In Fund	Transfer Out Fund	Detail	Transfers From/To Other Funds
Nonmajor Governmental	General	Debt service	\$ 591,000
Nonmajor Governmental	General	Subsidy	36,376
Nonmajor Governmental	Nonmajor Governmental	Subsidy	<u>42,000</u>
Total			<u>\$ 669,376</u>

**Note 7. Other Information**

**(a) Risk Management**

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

## Village of Algonquin, Illinois

### Notes to Financial Statements

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

##### (a) Risk Management (Continued)

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

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

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

##### (b) Joint Venture

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

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

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

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

Village of Algonquin, Illinois

Notes to Financial Statements

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Note 7. 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 \$548,767 to SEECOM during fiscal year 2009.

(d) Pledged Sales Tax Revenues

The Village has pledged future sales tax revenues to repay \$3,310,000 in general obligation bonds issued between 2001 and 2002. Total principal and interest remaining on the bonds is \$3,858,086, payable through April 2015. These pledges will remain until all bonds have been retired.

The amount of the pledges remaining as of April 30, 2009 and a comparison of the pledged revenues collected to the related principal and interest expenditure for fiscal year 2009 are as follows:

Debt Issue	Pledge Remaining	Commitment End Date	Estimated % of Revenue Pledged	Principal and Interest Retired
General Obligation Refunding Series 2001B	\$ 339,218	April 1, 2010	6.48%	\$ 421,281
General Obligation Refunding Series 2002A	3,518,868	April 1, 2015	2.84%	184,706

The Village has pledged future water customer revenues to repay \$1,230,000 in general obligation bonds issued in 2001. Total principal and interest remaining on the bonds is \$1,335,042, payable through April 2012. These pledges will remain until all bonds have been retired.

The amount of the pledges remaining as of April 30, 2009 and a comparison of the total water customer net revenues collected to the related principal and interest expenditure for fiscal year 2009 are as follows:

Debt Issue	Pledge Remaining	Commitment End Date	Estimated % of Revenue Pledged	Principal and Interest Retired
General Obligation Refunding Series 2001A	\$ 1,335,042	April 1, 2012	5.36%	\$ 242,245

## Village of Algonquin, Illinois

### Notes to Financial Statements

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

##### (a) Illinois Municipal Retirement

###### Plan Description

The Village's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Village plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

###### Funding Policy

As set by statute, employer regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2008 was 9.24 percent of annual covered payroll. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

###### Annual Pension Cost

The Village's annual pension cost of \$563,034 for the regular plan was equal to the Village's required and actual contributions.

For Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset (Obligation)
2008	\$ 563,034	100 %	\$ -
2007	517,605	100	-
2006	480,353	100	-

The required contribution for 2008 was determined as part of the December 31, 2006 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2006 included (a) 7.50 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the Village's regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Village's regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2008 was 24 years.

Village of Algonquin, Illinois

Notes to Financial Statements

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

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

**Funded Status and Funding Progress**

As of December 31, 2008, the most recent actuarial valuation date, the regular plan was 78.47 percent funded. The actuarial liability for benefits was \$10,034,268 and the actuarial value of assets was \$7,874,381 resulting in an underfunded actuarial accrued liability (UAAL) of \$2,159,887. The covered payroll (annual payroll of active employees covered by the plan) was \$6,093,439 and the ratio of the UAAL to the covered payroll was 35 percent.

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

**(b) Police Pension**

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

The information included in this section pertaining to the Village's Police Pension Fund, is based on the actuarial valuation performed on April 30, 2009. The actuarial valuation was performed to determine the Village's required contribution and annual pension cost for that plan for its fiscal year ended April 30, 2009.

**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, 2009, 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	34
Nonvested	16
	<hr/>
<b>Total</b>	<b>55</b>
	<hr/> <hr/>

Village of Algonquin, Illinois

Notes to Financial Statements

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Note 8. Employee Retirement Systems and Plans (Continued)

(b) Police Pension (Continued)

Plan Description (Continued)

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final salary for each year of service up to 30 years, to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

Surviving spouses receive 100% of final salary for fatalities resulting from an act of duty, or otherwise the greater of 50% of final salary or the employee's retirement benefit. Employees disabled in the line of duty receive 65% of final salary.

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

Funding Policy

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. By the year 2033 the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is fully funded. Actuarial valuations are performed annually.

Annual Pension Cost and Net Pension Asset

At April 30, 2009, the Village's annual pension cost was \$676,334. The Village's actual contribution was \$677,063. For a description of the significant actuarial assumptions, see "Significant Actuarial Assumptions."

The net pension asset at April 30, 2009, was \$23,459. It was comprised of the following:

Net pension obligation:	
Annual required contribution	\$ 676,838
Interest on net pension obligation	(1,591)
Adjustment to annual required contribution	1,087
	<hr/>
Annual pension cost	676,334
Contributions made	677,063
	<hr/>
Increase in net pension asset	729
Net pension asset at beginning of year	22,730
	<hr/>
Net pension asset at end of year	<u>\$ 23,459</u>

The net pension asset of \$23,459 is reported by the Village in the government-wide Statement of Net Assets.

## Village of Algonquin, Illinois

### Notes to Financial Statements

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

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

###### Plan Description (Continued)

###### Three-Year Trend Information for the Police Pension

For Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset (Obligation)
2009	\$ 676,334	100.1 %	\$ 23,459
2008	444,441	100.2	22,730
2007	488,952	100.2	21,903

###### 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, 2009 was determined as part of the April 30, 2009 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, 2009 was 24 years.

Village of Algonquin, Illinois

Notes to Financial Statements

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

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

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

The funded status of the Police Pension Plan as of April 30, 2009, the most recent actuarial valuation date, is as follows:

(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)–(1) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll	UAAL as a Percentage of Covered Payroll ((2-1)/3)
\$ 8,910,341	\$ 19,682,936	\$ 10,772,595	45.27 %	\$ 3,799,289	283.54 %

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

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

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

Plan Description.

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

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

Funding Policy

The contribution requirements for plan members and the Village are established and may be amended by the Village Board and are detailed in the "Plan Document and Summary Plan Description." The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2009, the Village contributed \$25,440 to the plan, representing a portion of current premiums (approximately 51 percent of total premiums). Plan members receiving benefits contributed \$24,041, or approximately 49 percent of the total premiums, through their required contribution of \$376.14 per month for retiree-only coverage, \$814.81 for retiree and dependent coverage and \$1,255.56 for family coverage.

Village of Algonquin, Illinois

Notes to Financial Statements

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

Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution (ARC)	\$ 45,654
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
	<hr/>
Annual OPEB cost	45,654
Contribution made	25,440
	<hr/>
Increase in net OPEB obligation	20,214
Net OPEB obligation beginning of year	-
	<hr/>
Net OPEB obligation end of year	<u>\$ 20,214</u>

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 was as follows:

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
4/30/2009	\$ 45,654	55.7%	\$ 20,214

Funded Status and Funding Progress

As of April 30, 2009, the plan was 100% unfunded. The actuarial accrued liability for benefits was \$1,102,147, and the actuarial value of assets was \$0 (zero), resulting in an unfunded actuarial accrued liability (UAAL) of \$1,102,147. The covered payroll (annual payroll of active employees covered by the plan) was \$10,032,140, and the ratio of the UAAL to the covered payroll was 10.99 percent.

## Village of Algonquin, Illinois

### Notes to Financial Statements

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

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

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

##### Actuarial Methods and Assumptions

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

In the April 30, 2008 actuarial valuation (most recent available), the entry age actuarial cost method was used. The actuarial assumptions included a 5.0 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 8 percent initially and ultimately. This rate included a 3.0 percent inflation assumption. The actuarial value of assets was determined using market value. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at April 30, 2008, was 30 years.

#### Note 10. New Governmental Accounting Standards

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

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.

Village of Algonquin, Illinois

Notes to Financial Statements

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**Note 10.           New Governmental Accounting Standards (Continued)**

Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*, was issued to enhance the usefulness of fund balance information by providing clearer fund balance classifications and by clarifying the existing fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. The Village is required to implement this Statement for the year ending April 30, 2012.

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, 2009

	Original Budget	Final Budget	Actual	Over (Under)
<b>Revenues</b>				
Charges for services	\$ 606,100	\$ 606,100	\$ 376,154	\$ (229,946)
Licenses and permits	985,000	990,000	934,656	(55,344)
Intergovernmental, grants and contributions	127,000	129,779	102,083	(27,696)
Fines, fees and forfeitures	897,600	897,600	679,299	(218,301)
Property taxes	5,581,000	5,581,000	5,583,456	2,456
Other taxes	11,091,300	11,091,300	10,049,443	(1,041,857)
Interest	216,500	216,500	119,188	(97,312)
Miscellaneous	17,200	17,200	95,618	78,418
<b>Total revenues</b>	<b>19,521,700</b>	<b>19,529,479</b>	<b>17,939,897</b>	<b>(1,589,582)</b>
<b>Expenditures</b>				
Current				
General government	4,009,560	4,020,560	3,915,446	105,114
Public safety	8,124,750	8,124,438	7,516,079	608,359
Public works	4,455,110	4,456,589	4,355,360	101,229
Debt Service				
Principal	11,615	11,615	11,600	15
Interest and fiscal charges	-	-	118	(118)
Capital outlay	1,913,265	1,989,737	901,100	1,088,637
<b>Total expenditures</b>	<b>18,514,300</b>	<b>18,602,939</b>	<b>16,699,703</b>	<b>1,903,236</b>
Excess of revenues over expenditures	1,007,400	926,540	1,240,194	313,654
<b>Other financing sources (uses)</b>				
Transfers in	3,000	3,000	-	(3,000)
Transfers out	(660,400)	(660,400)	(627,376)	33,024
<b>Total other financing sources (uses)</b>	<b>(657,400)</b>	<b>(657,400)</b>	<b>(627,376)</b>	<b>30,024</b>
Net change in fund balance	\$ 350,000	\$ 269,140	612,818	\$ 343,678
Fund balance - beginning			7,739,507	
Fund balance - ending			\$ 8,352,325	

See Note to Required Supplementary Information.

Village of Algonquin, Illinois

Pension Benefits  
 Required Supplementary Information  
 Analysis of Funding Progress

April 30, 2009

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)
12/31/2008	\$ 7,874,381	\$ 10,034,268	\$ 2,159,887	78.47 %	\$ 6,093,439	35.45 %
12/31/2007	7,581,534	8,590,433	1,008,899	88.26	5,595,732	18.03
12/31/2006	6,738,166	7,561,324	823,158	89.11	5,181,803	15.89
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

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)
05/01/2009	\$ 8,910,341	\$ 19,682,936	\$ 10,772,595	45.27 %	\$ 3,799,289	283.54 %
05/01/2008	8,968,447	17,500,170	8,531,723	51.25	3,529,291	241.74
05/01/2007	8,086,877	15,528,795	7,441,918	52.08	3,213,288	231.60
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

Village of Algonquin, Illinois

Required Supplementary Information  
Employer Contributions

April 30, 2009

Illinois Municipal Retirement Fund

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed	
12/31/2008	\$ 563,034	100	%
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	

Police Pension Fund

Fiscal Year End Date	Annual Required Contribution	Percentage Contributed	
04/30/2009	\$ 676,838	100	%
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	

Village of Algonquin, Illinois

Other Post-Employment Benefits  
 Required Supplementary Information  
 Year Ended April 30, 2009

Analysis of Funding Progress

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

Employer Contributions

Fiscal Year Ending	Required Contribution	Percentage Contributed
4/30/2009	\$ 45,654	55.7%

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

Village of Algonquin, Illinois

Notes to Required Supplementary Information

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**Note 1. Budgetary Basis of Accounting**

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

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

The Village adopted the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pension*, during FY2009. As such, only one year of data is included in the required supplementary information.

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, 2009

	Original Budget	Final Budget	Actual
Charges for services			
Building and zoning	\$ 75,000	\$ 75,000	\$ 34,305
Platting fees	200,000	200,000	83,980
Intergovernmental agreement - police	110,000	110,000	73,152
Police training reimbursement	23,000	23,000	16,921
Snow plowing fees	3,000	3,000	7,479
Park usage fees	15,250	15,250	12,960
Recreation programs	144,250	144,250	114,924
Site development fee	10,000	10,000	4,275
Public art impact fee	6,600	6,600	2,596
Rental income	-	-	15,915
Historical commission	1,000	1,000	765
Senior bus	3,000	3,000	2,791
Subdivision signs	15,000	15,000	6,091
Total charges for services	<u>606,100</u>	<u>606,100</u>	<u>376,154</u>
Licenses and permits			
Liquor licenses	110,000	110,000	112,635
Building permits	850,000	855,000	769,881
Miscellaneous licenses	25,000	25,000	52,140
Total licenses and permits	<u>985,000</u>	<u>990,000</u>	<u>934,656</u>
Intergovernmental, grants and contributions			
Grants - operating, public safety, general	100,000	100,000	66,987
Contributions	27,000	29,779	35,096
Total intergovernmental, grants and contributions	<u>127,000</u>	<u>129,779</u>	<u>102,083</u>
Fines, fees and forfeitures			
County court and drug fines	506,900	506,900	426,736
County prosecution fines	2,000	2,000	5,309
Police fines	45,000	45,000	31,921
Restitution - Court Cases	500	500	773
Police accident reports	5,500	5,500	4,819
Reports, maps and ordinances	2,000	2,000	1,964
Building permit fines	20,000	20,000	11,150

(Continued)

Village of Algonquin, Illinois

General Fund

Schedule of Revenues - Budget and Actual (Continued)  
Year Ended April 30, 2009

	Original Budget	Final Budget	Actual
Fines, fees and forfeitures (Continued)			
Towing and Storage	\$ 4,000	\$ 4,000	\$ -
Traffic light enforcement	292,800	292,800	154,015
Municipal fines	16,200	16,200	38,620
Maintenance fee	1,500	1,500	2,442
Alarm lines	-	-	1,550
Administrative fees	1,200	1,200	-
Total fines, fees and forfeitures	<u>897,600</u>	<u>897,600</u>	<u>679,299</u>
Property taxes			
General	1,500,000	1,500,000	1,500,221
Road and bridge	339,000	339,000	340,133
Social security	500,000	500,000	500,376
Insurance	525,000	525,000	525,284
IMRF	270,000	270,000	270,204
School crossing	20,000	20,000	20,057
Police protection	1,740,000	1,740,000	1,740,089
ESDA	10,000	10,000	10,029
Police pension	677,000	677,000	677,063
Total property taxes	<u>5,581,000</u>	<u>5,581,000</u>	<u>5,583,456</u>
Other taxes			
Personal property replacement tax	68,000	68,000	63,368
Cable TV fees	350,000	350,000	359,885
Telecommunication tax	200,000	200,000	200,767
Natural gas franchise fees	65,000	65,000	54,319
State income tax	3,158,300	3,158,300	2,868,929
Sales tax	7,250,000	7,250,000	6,502,175
Total other taxes	<u>11,091,300</u>	<u>11,091,300</u>	<u>10,049,443</u>
Interest	<u>216,500</u>	<u>216,500</u>	<u>119,188</u>
Miscellaneous			
Other	<u>17,200</u>	<u>17,200</u>	<u>95,618</u>
Total revenues	<u>\$ 19,521,700</u>	<u>\$ 19,529,479</u>	<u>\$ 17,939,897</u>

Village of Algonquin, Illinois

General Fund

Schedule of Expenditures - Budget and Actual  
Year Ended April 30, 2009

	Original Budget	Final Budget	Actual
Current			
General government			
Administration			
Personnel	\$ 1,404,140	\$ 1,404,140	\$ 1,376,707
Commodities	81,250	81,250	113,649
Contractual services	977,870	977,870	926,529
Other charges	207,580	207,580	159,015
Total administration	<u>2,670,840</u>	<u>2,670,840</u>	<u>2,575,900</u>
Community development			
Personnel	1,040,225	1,040,225	1,014,400
Commodities	40,790	32,290	30,596
Contractual services	212,195	240,195	261,099
Other charges	45,510	37,010	33,451
Total community development	<u>1,338,720</u>	<u>1,349,720</u>	<u>1,339,546</u>
Total general government	<u>4,009,560</u>	<u>4,020,560</u>	<u>3,915,446</u>
Public safety			
Police department			
Personnel	5,663,130	5,661,630	5,418,250
Commodities	246,870	250,758	217,730
Contractual services	1,389,970	1,391,270	1,102,133
Other charges	824,780	820,780	777,966
Total public safety	<u>8,124,750</u>	<u>8,124,438</u>	<u>7,516,079</u>
Public works			
Public works administration			
Personnel	508,125	508,125	525,981
Commodities	51,320	49,520	39,547
Contractual services	96,095	95,975	96,353
Other charges	20,310	20,430	12,663
Total public works administration	<u>675,850</u>	<u>674,050</u>	<u>674,544</u>

(Continued)

Village of Algonquin, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)  
Year Ended April 30, 2009

	Original Budget	Final Budget	Actual
Public works (Continued)			
Streets department			
Personnel	\$ 1,228,025	\$ 1,228,025	\$ 1,194,283
Commodities	196,100	186,755	224,331
Contractual services	779,875	792,725	782,246
Other charges	12,530	10,825	10,430
Total streets	<u>2,216,530</u>	<u>2,218,330</u>	<u>2,211,290</u>
Parks			
Personnel	1,104,050	1,104,050	1,027,774
Commodities	96,600	98,079	99,694
Contractual services	344,965	346,565	327,831
Other charges	17,115	15,515	14,227
Total parks	<u>1,562,730</u>	<u>1,564,209</u>	<u>1,469,526</u>
Total public works	<u>4,455,110</u>	<u>4,456,589</u>	<u>4,355,360</u>
Debt service			
Capital lease principal	11,615	11,615	11,600
Interest and fiscal charges	-	-	118
Total debt service	<u>11,615</u>	<u>11,615</u>	<u>11,718</u>
Capital outlay			
General government	75,750	84,750	77,974
Public safety	162,265	163,877	162,717
Public works	408,740	474,600	466,623
Non-departmental	1,266,510	1,266,510	193,786
Total capital outlay	<u>1,913,265</u>	<u>1,989,737</u>	<u>901,100</u>
Total expenditures	<u>\$ 18,514,300</u>	<u>\$ 18,602,939</u>	<u>\$ 16,699,703</u>

**NONMAJOR GOVERNMENTAL FUNDS – COMBINING STATEMENTS**

Village of Algonquin, Illinois

Nonmajor Governmental Funds  
 Combining Balance Sheet  
 April 30, 2009

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 4,150,459	\$ 22,963	\$ 82,196	\$ 4,255,618
Investments	2,460,000	3,425,098	45,000	5,930,098
Receivables				
Other taxes	185,864	-	-	185,864
Intergovernmental	60,870	-	-	60,870
Accrued interest	13,739	12,594	68	26,401
Other	140,928	-	-	140,928
Total assets	<u>\$ 7,011,860</u>	<u>\$ 3,460,655</u>	<u>\$ 127,264</u>	<u>\$ 10,599,779</u>
<b>Liabilities</b>				
Accounts payable	\$ 834,916	\$ -	\$ -	\$ 834,916
Deferred revenue - other	108,391	-	-	108,391
Due to other funds	248,500	-	-	248,500
Total liabilities	<u>1,191,807</u>	<u>-</u>	<u>-</u>	<u>1,191,807</u>
<b>Fund Balances</b>				
Reserved for				
Donor program	1,184,129	-	-	1,184,129
Cemetery acquisition and perpetual care	245,525	-	-	245,525
Grant programs	1,301,458	-	-	1,301,458
Debt service	-	3,460,655	-	3,460,655
Unreserved	3,088,941	-	127,264	3,216,205
Total fund balances	<u>5,820,053</u>	<u>3,460,655</u>	<u>127,264</u>	<u>9,407,972</u>
Total liabilities and fund balances	<u>\$ 7,011,860</u>	<u>\$ 3,460,655</u>	<u>\$ 127,264</u>	<u>\$ 10,599,779</u>

Village of Algonquin, Illinois

Nonmajor Governmental Funds  
 Combining Statement of Revenues, Expenditures  
 and Changes in Fund Balances  
 Year Ended April 30, 2009

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Charges for services	\$ 144,263	\$ -	\$ -	\$ 144,263
Intergovernmental, grants and contributions	1,486,173	-	3,450	1,489,623
Fines and fees	15,600	-	-	15,600
Other taxes	1,983,481	-	-	1,983,481
Interest	80,768	141,433	1,036	223,237
Miscellaneous	32,383	-	-	32,383
<b>Total revenues</b>	<b>3,742,668</b>	<b>141,433</b>	<b>4,486</b>	<b>3,888,587</b>
<b>Expenditures</b>				
Current				
General government	244,457	-	-	244,457
Public works	745,972	-	-	745,972
Debt service				
Principal	-	440,000	-	440,000
Interest and fiscal charges	-	281,660	-	281,660
Capital outlay	1,404,222	-	-	1,404,222
<b>Total expenditures</b>	<b>2,394,651</b>	<b>721,660</b>	<b>-</b>	<b>3,116,311</b>
Excess (deficiency) of revenues over expenditures	1,348,017	(580,227)	4,486	772,276
<b>Other financing sources (uses)</b>				
Transfers in	36,376	591,000	42,000	669,376
Transfers out	(42,000)	-	-	(42,000)
<b>Total other financing sources (uses)</b>	<b>(5,624)</b>	<b>591,000</b>	<b>42,000</b>	<b>627,376</b>
Net change in fund balances	1,342,393	10,773	46,486	1,399,652
Fund balances - beginning	4,477,660	3,449,882	80,778	8,008,320
Fund balances - ending	\$ 5,820,053	\$ 3,460,655	\$ 127,264	\$ 9,407,972

## NONMAJOR SPECIAL REVENUE FUNDS

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

**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.

**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.

**Special Revenue Fund** – to account for:

- the use of grant monies earmarked for special projects for which financing is provide by grants.
- the maintenance (including snow removal) of cul de sacs with the Village. Financing is provided by developer impact fees.
- development/construction costs for building and enhancing the "tourism related" facilities (a hotel, banquet facility and restaurant). Financing is provided by hotel/motel taxes.
- revenue from developer impact fees that the Village transfers to local school districts.

Village of Algonquin, Illinois

Nonmajor Special Revenue Funds

Combining Balance Sheet  
April 30, 2009

	Motor Fuel Tax	Public Swimming Pool	Parks	Street Improvement
<b>Assets</b>				
Cash and cash equivalents	\$ 950,193	\$ 20,849	\$ 571,550	\$ 2,034,432
Investments	-	-	-	1,200,000
Receivables				
Other taxes	-	-	-	185,864
Intergovernmental	60,870	-	-	-
Accrued interest	-	-	-	2,354
Other	-	-	-	127,232
Total assets	<u>\$ 1,011,063</u>	<u>\$ 20,849</u>	<u>\$ 571,550</u>	<u>\$ 3,549,882</u>
<b>Liabilities</b>				
Accounts payable	\$ 128,044	\$ 627	\$ 23,977	\$ 678,404
Deferred revenue - other	-	20,555	-	-
Due to other funds	-	-	248,500	-
Total liabilities	<u>128,044</u>	<u>21,182</u>	<u>272,477</u>	<u>678,404</u>
<b>Fund Balances (Deficit)</b>				
Reserved for				
Donor program	-	-	299,073	-
Cemetery acquisition and perpetual care	-	-	-	-
Grant programs	883,019	-	-	120,753
Unreserved	-	(333)	-	2,750,725
Total fund balances (deficit)	<u>883,019</u>	<u>(333)</u>	<u>299,073</u>	<u>2,871,478</u>
Total liabilities and fund balances	<u>\$ 1,011,063</u>	<u>\$ 20,849</u>	<u>\$ 571,550</u>	<u>\$ 3,549,882</u>

Cemetery	Special Revenue	Totals
\$ 41,305	\$ 532,130	\$ 4,150,459
210,000	1,050,000	2,460,000
-	-	185,864
-	-	60,870
841	10,544	13,739
-	13,696	140,928
<u>\$ 252,146</u>	<u>\$ 1,606,370</u>	<u>\$ 7,011,860</u>

\$ -	\$ 3,864	\$ 834,916
-	87,836	108,391
-	-	248,500
-	91,700	1,191,807

-	885,056	1,184,129
245,525	-	245,525
-	297,686	1,301,458
6,621	331,928	3,088,941
<u>252,146</u>	<u>1,514,670</u>	<u>5,820,053</u>
<u>\$ 252,146</u>	<u>\$ 1,606,370</u>	<u>\$ 7,011,860</u>

Village of Algonquin, Illinois

Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Year Ended April 30, 2009

	Motor Fuel Tax	Public Swimming Pool	Parks	Street Improvement
Revenues				
Charges for services	\$ -	\$ 133,068	\$ -	\$ -
Intergovernmental, grants and contributions	836,130	-	454,068	104,081
Fines, fees and forfeitures	-	-	15,600	-
Other taxes	-	-	-	1,902,810
Interest	8,812	31	3,107	26,788
Miscellaneous	-	14,994	-	-
Total revenues	<u>844,942</u>	<u>148,093</u>	<u>472,775</u>	<u>2,033,679</u>
Expenditures				
Current				
General government	-	199,452	-	-
Public works	471,999	-	83,133	136,882
Capital outlay	63,281	-	188,770	1,152,171
Total expenditures	<u>535,280</u>	<u>199,452</u>	<u>271,903</u>	<u>1,289,053</u>
Excess (deficiency) of revenues over expenditures	<u>309,662</u>	<u>(51,359)</u>	<u>200,872</u>	<u>744,626</u>
Other financing sources (uses)				
Transfers in	-	36,376	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>36,376</u>	<u>-</u>	<u>-</u>
Net change in fund balances	309,662	(14,983)	200,872	744,626
Fund balances - beginning	<u>573,357</u>	<u>14,650</u>	<u>98,201</u>	<u>2,126,852</u>
Fund balances (deficit) - ending	<u>\$ 883,019</u>	<u>\$ (333)</u>	<u>\$ 299,073</u>	<u>\$ 2,871,478</u>

Cemetery	Special Revenue	Totals
\$ 11,195	\$ -	\$ 144,263
-	91,894	1,486,173
-	-	15,600
-	80,671	1,983,481
6,387	35,643	80,768
17,389	-	32,383
<u>34,971</u>	<u>208,208</u>	<u>3,742,668</u>
34,311	10,694	244,457
-	53,958	745,972
-	-	1,404,222
<u>34,311</u>	<u>64,652</u>	<u>2,394,651</u>
<u>660</u>	<u>143,556</u>	<u>1,348,017</u>
-	-	36,376
-	(42,000)	(42,000)
-	(42,000)	(5,624)
660	101,556	1,342,393
<u>251,486</u>	<u>1,413,114</u>	<u>4,477,660</u>
<u>\$ 252,146</u>	<u>\$ 1,514,670</u>	<u>\$ 5,820,053</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, 2009

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental			
Motor fuel tax allotments	\$ 915,000	\$ 915,000	\$ 836,130
Interest	25,000	25,000	8,812
Total revenues	<u>940,000</u>	<u>940,000</u>	<u>844,942</u>
Expenditures			
Current			
Public works			
Materials	150,800	392,800	412,717
Engineering services	140,800	143,800	38,407
Maintenance	50,000	50,000	20,875
Capital Outlay			
Capital improvements	5,000	2,000	63,281
Total expenditures	<u>346,600</u>	<u>588,600</u>	<u>535,280</u>
Net change in fund balance	<u>\$ 593,400</u>	<u>\$ 351,400</u>	309,662
Fund balance - beginning			<u>573,357</u>
Fund balance - ending			<u>\$ 883,019</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, 2009

	Original Budget	Final Budget	Actual
Revenues			
Charges for services			
Swimming pool fees	\$ 40,000	\$ 40,000	\$ 40,730
Swimming daily fees	28,000	28,000	27,330
Swimming lessons	65,000	65,000	51,396
Concessions- Candy	15,000	15,000	12,580
Concessions- Vending	1,700	1,700	1,032
Interest	100	100	31
Miscellaneous	25,000	25,000	14,994
Total revenues	<u>174,800</u>	<u>174,800</u>	<u>148,093</u>
Expenditures			
Current			
General government			
Personnel	127,200	123,200	111,275
Commodities	17,400	17,400	13,395
Contractual services	80,000	84,000	70,437
Other	4,600	4,600	4,345
Total expenditures	<u>229,200</u>	<u>229,200</u>	<u>199,452</u>
Deficiency of revenues over expenditures	(54,400)	(54,400)	(51,359)
Other financing sources			
Transfers in	54,400	54,400	36,376
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(14,983)
Fund balance - beginning			<u>14,650</u>
Fund balance (deficit) - ending			<u>\$ (333)</u>

Village of Algonquin, Illinois

Public Swimming Pool Fund

Schedule of Expenditures - Budget and Actual  
Year Ended April 30, 2009

	Original Budget	Final Budget	Actual
Expenditures			
Current			
General government			
Personnel			
Salary of pool employees	\$ 115,500	\$ 111,500	\$ 102,154
Social security/state unemployment tax	11,700	11,700	9,121
	<u>127,200</u>	<u>123,200</u>	<u>111,275</u>
Commodities			
Office supplies	3,400	3,400	2,227
Postage	100	100	29
Building supplies	1,000	1,000	-
Concessions	12,000	12,000	10,202
Small tools and equipment	900	900	937
	<u>17,400</u>	<u>17,400</u>	<u>13,395</u>
Contractual services			
Telephone	75	75	(4)
Gas-heat	4,500	8,500	5,649
Electricity	7,000	7,300	7,366
Maintenance	62,175	61,875	50,352
Insurance	6,250	6,250	7,074
	<u>80,000</u>	<u>84,000</u>	<u>70,437</u>
Other			
Travel/training/dues	1,000	1,000	757
Youth assistance fee	-	-	83
Uniforms and safety items	3,600	3,600	3,505
	<u>4,600</u>	<u>4,600</u>	<u>4,345</u>
Total expenditures	<u>\$ 229,200</u>	<u>\$ 229,200</u>	<u>\$ 199,452</u>

Village of Algonquin, Illinois

Parks Fund

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2009

	Original Budget	Final Budget	Actual
Revenues			
Contributions	\$ 60,000	\$ 60,000	\$ 54,068
Grants	-	-	400,000
Fines and penalties	-	-	15,600
Interest	6,000	6,000	3,107
Total revenues	<u>66,000</u>	<u>66,000</u>	<u>472,775</u>
Expenditures			
Current			
Public works			
Contractual services			
Tree planting	20,000	20,000	19,977
Wetland mitigation	15,600	21,600	19,345
Ecosystem maintenance	44,000	44,000	42,964
Engineering fees	8,000	8,000	-
Professional fees	3,000	3,000	847
Capital outlay			
Park development	192,000	317,237	188,770
Total expenditures	<u>282,600</u>	<u>413,837</u>	<u>271,903</u>
Net change in fund balance	<u>\$ (216,600)</u>	<u>\$ (347,837)</u>	200,872
Fund balance - beginning			<u>98,201</u>
Fund balance - ending			<u>\$ 299,073</u>

Village of Algonquin, Illinois

Street Improvement Fund

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2009

	Original Budget	Final Budget	Actual
Revenues			
Contributions	\$ -	\$ -	\$ 70,781
Grants	-	-	33,300
Other taxes			
Home rule sales tax	400,000	400,000	345,832
Utility taxes	950,000	950,000	1,014,164
Telecommunication taxes	450,000	450,000	542,814
Interest	23,000	23,000	26,788
Total revenues	<u>1,823,000</u>	<u>1,823,000</u>	<u>2,033,679</u>
Expenditures			
Current			
Public works			
Contractual services			
Legal services	13,000	13,000	12,765
Engineering services	613,000	623,054	118,690
Infrastructure Maintenance	50,000	50,000	5,427
Capital outlay			
Capital improvements	2,920,000	2,909,946	1,152,171
Total expenditures	<u>3,596,000</u>	<u>3,596,000</u>	<u>1,289,053</u>
Net change in fund balance	<u>\$ (1,773,000)</u>	<u>\$ (1,773,000)</u>	744,626
Fund balance - beginning			<u>2,126,852</u>
Fund balance - ending			<u>\$ 2,871,478</u>

Village of Algonquin, Illinois

Cemetery Fund

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2009

	Original Budget	Final Budget	Actual
Revenues			
Charges for services			
Opening graves and closing crypts	\$ 8,500	\$ 8,500	\$ 6,025
Perpetual care	2,000	2,000	1,260
Sale of lots	8,000	8,000	3,910
Interest	6,150	6,150	6,387
Miscellaneous	17,350	17,350	17,389
Total revenues	<u>42,000</u>	<u>42,000</u>	<u>34,971</u>
Expenditures			
Current			
General government			
Commodities			
Supplies	1,200	1,200	111
Contractual services			
Professional services	29,500	29,500	28,090
Grave openings	7,000	7,000	4,800
Insurance	1,500	1,500	1,310
Total expenditures	<u>39,200</u>	<u>39,200</u>	<u>34,311</u>
Net change in fund balance	<u>\$ 2,800</u>	<u>\$ 2,800</u>	660
Fund balance - beginning			<u>251,486</u>
Fund balance - ending			<u>\$ 252,146</u>

Village of Algonquin, Illinois

Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2009

	Original Budget	Final Budget	Actual
Revenues			
Contributions	\$ 600,000	\$ 600,000	\$ 91,894
Other taxes			
Hotel tax	80,000	80,000	80,671
Cul de sac fees	12,000	12,000	-
Interest	35,000	35,000	35,643
Total revenues	<u>727,000</u>	<u>727,000</u>	<u>208,208</u>
Expenditures			
Current			
General government			
Regional marketing	45,000	45,000	10,694
Contractual services - impact fees	600,000	600,000	-
Public works			
Contractual services - snow removal	34,000	54,000	53,958
Total expenditures	<u>679,000</u>	<u>699,000</u>	<u>64,652</u>
Excess of revenues over expenditures	48,000	28,000	143,556
Other financing uses			
Transfers out	(45,000)	-	(42,000)
Net change in fund balance	<u>\$ 3,000</u>	<u>\$ 28,000</u>	101,556
Fund balance - beginning			<u>1,413,114</u>
Fund balance - ending			<u>\$ 1,514,670</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, 2009

	Original Budget	Final Budget	Actual
Revenues			
Interest	\$ 24,000	\$ 139,000	\$ 141,433
Expenditures			
Debt service			
Principal	440,000	440,000	440,000
Interest and fiscal charges	168,000	283,000	281,660
Total expenditures	<u>608,000</u>	<u>723,000</u>	<u>721,660</u>
Deficiency of revenue over expenditures	(584,000)	(584,000)	(580,227)
Other financing sources			
Transfers in	<u>606,000</u>	<u>606,000</u>	<u>591,000</u>
Net change in fund balance	<u>\$ 22,000</u>	<u>\$ 22,000</u>	10,773
Fund balance - beginning			<u>3,449,882</u>
Fund balance - ending			<u>\$ 3,460,655</u>

#### **NONMAJOR CAPITAL PROJECTS FUND**

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

Village of Algonquin, Illinois

Nonmajor Capital Projects Fund - Village Expansion

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2009

	Original Budget	Final Budget	Actual
Revenues			
Contributions	\$ 5,000	\$ 5,000	\$ 3,450
Interest	2,000	2,000	1,036
Total revenues	<u>7,000</u>	<u>7,000</u>	<u>4,486</u>
Expenditures			
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	-	-	4,486
Other financing sources			
Transfers in	<u>392,000</u>	<u>392,000</u>	<u>42,000</u>
Net change in fund balance	<u>\$ 399,000</u>	<u>\$ 399,000</u>	46,486
Fund balance - beginning			<u>80,778</u>
Fund balance - ending			<u>\$ 127,264</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, 2009

	Operations and Maintenance	Improvements and Extension	Totals
<b>Assets</b>			
Current Assets			
Cash and cash equivalents	\$ 82,271	\$ 1,573,051	\$ 1,655,322
Investments	300,000	2,106,000	2,406,000
Receivables			
Accounts	686,598	700,067	1,386,665
Interest	2,274	4,397	6,671
Intrafund receivable (payable)	1,081,508	(1,081,508)	-
Restricted assets - investments	406,000	-	406,000
<b>Total current assets</b>	<u>2,558,651</u>	<u>3,302,007</u>	<u>5,860,658</u>
Capital Assets			
Cost	118,018,061	-	118,018,061
Accumulated depreciation	(34,543,942)	-	(34,543,942)
<b>Total capital assets, net</b>	<u>83,474,119</u>	<u>-</u>	<u>83,474,119</u>
<b>Total assets</b>	<u>\$ 86,032,770</u>	<u>\$ 3,302,007</u>	<u>\$ 89,334,777</u>
<b>Liabilities</b>			
Current Liabilities			
Accounts payable	\$ 268,399	\$ 274,729	\$ 543,128
Accrued interest	34,178	-	34,178
Compensated absences payable	102,490	-	102,490
General obligation bonds payable	485,000	-	485,000
<b>Total current liabilities</b>	<u>890,067</u>	<u>274,729</u>	<u>1,164,796</u>
Noncurrent Liabilities			
Compensated absences payable	47,251	-	47,251
General obligation bonds payable, net	9,552,886	-	9,552,886
<b>Total noncurrent liabilities</b>	<u>9,600,137</u>	<u>-</u>	<u>9,600,137</u>
<b>Total liabilities</b>	<u>10,490,204</u>	<u>274,729</u>	<u>10,764,933</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	73,436,233	-	73,436,233
Restricted for debt service	406,000	-	406,000
Unrestricted	1,700,333	3,027,278	4,727,611
<b>Total net assets</b>	<u>\$ 75,542,566</u>	<u>\$ 3,027,278</u>	<u>\$ 78,569,844</u>

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, 2009

	Original Budget	Final Budget	Actual
Operating revenues			
Charges for services			
Water and sewer revenue	\$ 5,055,000	\$ 5,055,000	\$ 4,517,996
Meter sales	114,000	114,000	31,425
Connection fees	650,000	650,000	933,775
Administration fee	75,500	75,500	63,833
Miscellaneous	78,000	78,000	77,795
Total operating revenues	<u>5,972,500</u>	<u>5,972,500</u>	<u>5,624,824</u>
Operating expenses excluding depreciation	<u>5,561,870</u>	<u>5,570,870</u>	<u>4,645,700</u>
Nonoperating revenues (expenses)			
Home rule sales tax	3,575,000	3,575,000	3,112,492
Insurance proceeds	225,000	357,500	308,500
Contributions	-	-	160,535
Interest income	63,100	63,100	79,999
Principal retirement	(440,000)	(440,000)	(440,000)
Interest expense and fiscal agent fees	(430,000)	(430,000)	(468,669)
Total nonoperating revenues (expenses)	<u>2,993,100</u>	<u>3,125,600</u>	<u>2,752,857</u>

Village of Algonquin, Illinois

Waterworks and Sewerage Fund

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

Year Ended April 30, 2009

	Original Budget	Final Budget	Actual
Water department			
Personnel			
IMRF	\$ 83,950	\$ 83,950	\$ 76,204
FICA	69,700	69,700	63,612
Unemployment tax	2,770	2,770	1,789
Health insurance	134,050	134,050	130,345
Salaries	890,000	890,000	832,652
Overtime	37,000	37,000	39,131
Commodities			
Meters	83,190	73,190	73,188
Office supplies	1,800	1,400	368
Materials	16,770	13,770	5,549
Chemicals	163,100	200,100	194,299
Postage	28,000	28,000	28,070
Building supplies	500	500	80
Small tools and equipment	16,895	16,895	12,060
Fuel	43,145	43,145	26,380
Lab supplies	8,050	8,050	7,955
Office furniture and equipment	26,700	26,700	9,549
Contractual services			
Utilities	393,100	426,996	383,368
Legal services	4,000	4,000	4,412
Audit services	4,000	4,000	4,080
Engineering services	14,000	14,000	12,534
Professional services	97,115	96,925	87,117
Insurance	80,625	83,696	83,697
Publications	1,550	1,550	963
Printing	9,350	9,350	7,533
Equipment rental	2,600	2,600	901
Physical exams	385	385	259
Travel/training/dues	11,160	8,960	5,526
Bank processing fees	15,600	15,600	15,753
Uniforms	7,000	7,200	6,627
Maintenance			
Alarm Lines	635	635	-
Wells	145,245	4,045	2,960
Booster station	22,350	22,350	15,554
Maintenance storage facility	10,945	10,545	5,236
Treatment facility	39,530	39,530	40,560
Distribution system	44,250	44,250	20,741

(Continued)

Village of Algonquin, Illinois

Waterworks and Sewerage Fund

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

Year Ended April 30, 2009

	Original Budget	Final Budget	Actual
Water department (continued)			
Contractual services (continued)			
Maintenance (continued)			
Vehicle maintenance	\$ 38,000	\$ 38,000	\$ 23,883
Radio maintenance	200	200	-
Building maintenance	79,900	79,900	70,372
Maintenance - Other	800	800	704
Equipment maintenance	33,000	24,500	37,477
Capital outlay	139,000	437,850	498,155
Less fixed assets capitalized	(139,000)	(437,850)	(498,155)
Total water department	<u>2,660,960</u>	<u>2,569,237</u>	<u>2,331,488</u>
Sewer department			
Personnel			
IMRF	78,625	78,625	71,605
FICA	65,200	65,200	59,369
Unemployment tax	2,475	2,475	1,549
Health insurance	105,100	105,100	119,225
Salaries	829,000	829,000	793,287
Overtime	36,400	36,400	28,567
Commodities			
Meters	83,190	73,190	71,335
Office supplies	1,500	1,500	1,049
Materials	13,200	13,200	2,298
Chemicals	84,500	84,500	77,036
Postage	25,000	25,000	24,955
Building supplies	1,000	1,000	23
Small tools and equipment	20,585	20,585	14,158
Fuel	18,535	18,535	25,640
Lab supplies	4,100	4,100	3,737
Office furniture and equipment	26,500	26,500	9,549
Contractual services			
Utilities	236,525	512,129	498,738
Legal services	4,000	7,000	5,569
Audit services	4,000	4,000	4,080
Engineering services	9,000	8,600	3,027
Professional services	104,590	66,990	63,205

Village of Algonquin, Illinois

Waterworks and Sewerage Fund

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

Year Ended April 30, 2009

	Original Budget	Final Budget	Actual
Sewer department (continued)			
Contractual services (continued)			
Insurance	\$ 74,875	\$ 72,994	\$ 72,277
Publications	1,600	1,600	1,028
Printing	5,600	2,600	2,443
Equipment rental	2,600	2,600	1,536
Physical exams	385	385	681
Sludge removal	65,000	65,000	45,119
Travel/training/dues	12,810	12,610	9,253
Bank processing fees	15,600	15,600	15,753
Uniforms	7,700	7,900	7,811
Maintenance			
Alarm Lines	1,425	1,425	-
Treatment facility	120,900	51,900	46,455
Lift station	36,975	16,975	17,974
Collection station	14,500	14,500	3,660
Vehicle maintenance	53,425	28,425	22,208
Radio maintenance	200	200	-
Building maintenance	64,490	44,490	41,748
Equipment maintenance	39,000	39,000	41,823
Other	800	800	704
Capital outlay	811,500	2,537,029	1,200,749
Less capitalized amounts	(811,500)	(2,537,029)	(1,200,749)
Total sewer department	2,270,910	2,362,633	2,208,474
Non departmental			
Contractual services			
Engineering services	330,000	330,000	48,050
Legal services	20,000	29,000	28,900
Infrastructure maintenance	280,000	280,000	28,788
Total non departmental	630,000	639,000	105,738
Total operating expenses	\$ 5,561,870	\$ 5,570,870	\$ 4,645,700

## 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, 2009

	Building Service Fund	Vehicle Maintenance Fund	Total
<b>Assets</b>			
Current			
Cash and cash equivalents	\$ 27,061	\$ 39,847	\$ 66,908
Receivables			
Accounts	-	7,235	7,235
Inventory	26,474	96,367	122,841
<b>Total assets</b>	<u>53,535</u>	<u>143,449</u>	<u>196,984</u>
<b>Liabilities</b>			
Current			
Accounts payable	<u>53,535</u>	<u>55,285</u>	<u>108,820</u>
<b>Net Assets</b>			
Unrestricted	<u>\$ -</u>	<u>\$ 88,164</u>	<u>\$ 88,164</u>

Village of Algonquin, Illinois

Combining Statement of Revenues, Expenses and Changes in Net Assets - Internal Service Funds  
 Year Ended April 30, 2009

	Building Service Fund	Vehicle Maintenance Fund	Total
Operating revenues			
Maintenance billings	\$ 683,031	\$ 1,150,939	\$ 1,833,970
Miscellaneous	-	1,646	1,646
Total operating revenues	<u>683,031</u>	<u>1,152,585</u>	<u>1,835,616</u>
Operating expenses	<u>683,031</u>	<u>1,152,585</u>	<u>1,835,616</u>
Operating income	-	-	-
Net assets - beginning	<u>-</u>	<u>88,164</u>	<u>88,164</u>
Net assets - ending	<u>\$ -</u>	<u>\$ 88,164</u>	<u>\$ 88,164</u>

Village of Algonquin, Illinois

Comining Statement of Cash Flows – Internal Service Funds  
Year Ended April 30, 2009

	Building Service Fund	Vehicle Maintenance Fund	Total
Cash flows from operating activities			
Cash paid to suppliers	\$ (369,828)	\$ (819,531)	\$ (1,189,359)
Cash paid to employees	(286,945)	(334,906)	(621,851)
Cash received for interfund services provided	683,031	1,156,926	1,839,957
Net cash provided by operating activities	<u>26,258</u>	<u>2,489</u>	<u>28,747</u>
Net increase in cash and equivalents	26,258	2,489	28,747
Cash and equivalents - beginning	<u>803</u>	<u>37,358</u>	<u>38,161</u>
Cash and equivalents - ending	<u>\$ 27,061</u>	<u>\$ 39,847</u>	<u>\$ 66,908</u>
Reconciliation of operating income to net cash provided by operating activities			
Operating income	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Adjustments to reconcile operating income to net cash provided by operating activities			
Changes in assets and liabilities			
Accounts receivable	-	4,341	4,341
Prepaid items	2,149	4,166	6,315
Inventory	(1,226)	4,385	3,159
Accounts payable	25,335	(10,403)	14,932
Total adjustments	<u>26,258</u>	<u>2,489</u>	<u>28,747</u>
Net cash provided by operating activities	<u>\$ 26,258</u>	<u>\$ 2,489</u>	<u>\$ 28,747</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, 2009

	Original Budget	Final Budget	Actual
Operating revenues			
Charges for services			
Maintenance billings	\$ 777,700	\$ 777,700	\$ 683,031
Total operating revenues	<u>777,700</u>	<u>777,700</u>	<u>683,031</u>
Operating expenses			
Personnel	323,175	323,175	286,945
Contractual services	39,060	43,660	29,762
Supplies and materials	84,100	84,100	92,077
Maintenance	279,400	277,200	221,693
Other charges	10,650	8,250	6,328
Capital outlay	41,315	41,315	46,226
Total operating expenses	<u>777,700</u>	<u>777,700</u>	<u>683,031</u>
Operating income	<u>\$ -</u>	<u>\$ -</u>	-
Net assets - beginning			<u>-</u>
Net assets - ending			<u><u>\$ -</u></u>

Village of Algonquin, Illinois

Internal Service Fund - Building Service Fund

Schedule of Operating Expenses - Budget and Actual  
Year Ended April 30, 2009

	Original Budget	Final Budget	Actual
Operating expenses			
Personnel			
IMRF	\$ 23,325	\$ 23,325	\$ 19,321
FICA	13,050	13,050	16,193
SUI	450	450	417
Health insurance	30,600	30,600	30,817
Salaries	245,750	245,750	206,313
Overtime	10,000	10,000	13,884
	<u>323,175</u>	<u>323,175</u>	<u>286,945</u>
Contractual services			
Telephone	2,480	2,480	2,140
Natural gas	7,000	11,600	8,471
Professional services	300	2,300	399
Publications	850	650	482
Printing and advertising	460	60	-
Equipment rental	2,630	1,230	236
Grounds service	24,940	24,940	17,681
Physical Exams	400	400	353
	<u>39,060</u>	<u>43,660</u>	<u>29,762</u>
Supplies and materials			
Office supplies	400	400	342
Postage	300	300	18
Building supplies	76,600	76,600	86,799
Tools, equipment and supplies	1,000	1,000	865
Fuel	4,000	4,000	2,464
Office furniture and equipment	1,800	1,800	1,589
	<u>84,100</u>	<u>84,100</u>	<u>92,077</u>
Maintenance			
Vehicle maintenance	6,000	6,000	7
Equipment maintenance	2,500	2,500	-
Radio maintenance	200	-	-
Grounds Maintenance	250	250	-
Outsourced building maintenance	270,150	268,150	221,386
Office equipment maintenance	300	300	300
	<u>279,400</u>	<u>277,200</u>	<u>221,693</u>

(Continued)

Village of Algonquin, Illinois

Internal Service Fund - Building Service Fund

Schedule of Operating Expenses - Budget and Actual (Continued)  
Year Ended April 30, 2009

	Original Budget	Final Budget	Actual
Operating expenses (continued)			
Other charges			
Travel, training and dues	\$ 8,200	\$ 5,200	\$ 3,392
Uniforms and safety items	2,450	3,050	2,936
	<u>10,650</u>	<u>8,250</u>	<u>6,328</u>
Capital outlay			
Capital purchase	<u>41,315</u>	<u>41,315</u>	<u>46,226</u>
Total operating expenses	<u>\$ 777,700</u>	<u>\$ 777,700</u>	<u>\$ 683,031</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, 2009

	Original Budget	Final Budget	Actual
Operating revenues			
Charges for services			
Maintenance billings	\$ 751,600	\$ 751,600	\$ 787,208
Fire district fuel	46,500	46,500	60,729
Fuel billings	276,500	276,500	303,002
Miscellaneous	-	-	1,646
Total operating revenues	<u>1,074,600</u>	<u>1,074,600</u>	<u>1,152,585</u>
Operating expenses			
Personnel	383,150	383,150	334,906
Contractual services	29,750	33,350	28,801
Supplies and materials	555,300	554,700	650,442
Maintenance	90,010	88,010	121,731
Other charges	16,390	15,390	16,705
Total operating expenses	<u>1,074,600</u>	<u>1,074,600</u>	<u>1,152,585</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, 2009

	Original Budget	Final Budget	Actual
Operating expenses			
Personnel			
IMRF	\$ 25,350	\$ 25,350	\$ 21,829
FICA	21,000	21,000	17,996
SUI	775	775	804
Health insurance	62,525	62,525	49,547
Salaries	264,500	264,500	233,074
Overtime	9,000	9,000	11,656
	<u>383,150</u>	<u>383,150</u>	<u>334,906</u>
Contractual services			
Telephone	3,550	3,850	4,050
Natural gas	10,500	13,500	10,058
Professional services	7,000	8,700	6,449
Publications	5,450	5,450	6,699
Printing and advertising	1,140	40	-
Equipment rental	1,760	1,460	994
Physical exams	350	350	551
	<u>29,750</u>	<u>33,350</u>	<u>28,801</u>
Supplies and materials			
Office supplies	600	300	387
Postage	200	200	118
Building supplies	100	100	50
Tools, equipment and supplies	7,000	6,700	6,658
Fuel	331,500	331,500	372,475
Oil, lubricants, and fluids	214,300	214,300	269,522
Office furniture and equipment	1,600	1,600	1,232
	<u>555,300</u>	<u>554,700</u>	<u>650,442</u>
Maintenance			
Vehicle maintenance	5,000	5,000	13,818
Equipment maintenance	4,000	4,000	13,531
Building maintenance	48,620	46,620	38,007
Grounds maintenance	210	210	-
Outsourced vehicle and equipment maintenance	31,460	31,460	55,775
Office equipment maintenance	720	720	600
	<u>90,010</u>	<u>88,010</u>	<u>121,731</u>

(Continued)

Village of Algonquin, Illinois

Internal Service Fund - Vehicle Maintenance Fund

Schedule of Operating Expenses - Budget and Actual (Continued)  
Year Ended April 30, 2009

	Original Budget	Final Budget	Actual
Operating expenses (continued)			
Other charges			
Travel, training and dues	\$ 9,500	\$ 7,030	\$ 8,755
Uniforms and safety items	6,890	8,360	7,950
	<u>16,390</u>	<u>15,390</u>	<u>16,705</u>
Total operating expenses	<u>\$ 1,074,600</u>	<u>\$ 1,074,600</u>	<u>\$ 1,152,585</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, 2009

	Original Budget	Final Budget	Actual
<hr/>			
Additions			
Contributions			
Employer	\$ 676,900	\$ 676,900	\$ 677,063
Employee	365,000	365,000	375,497
	<u>1,041,900</u>	<u>1,041,900</u>	<u>1,052,560</u>
Investment income (expense)			
Net appreciation (depreciation) in fair value of investments	386,500	386,500	(1,010,602)
Interest income	233,600	233,600	204,371
Less investment expenses	(58,400)	(58,400)	(51,869)
	<u>561,700</u>	<u>561,700</u>	<u>(858,100)</u>
Total additions	<u>1,603,600</u>	<u>1,603,600</u>	<u>194,460</u>
Deductions			
Administration	11,600	11,600	6,850
Pension benefits and refunds	228,000	228,000	245,716
Total deductions	<u>239,600</u>	<u>239,600</u>	<u>252,566</u>
Change in net assets	<u>\$ 1,364,000</u>	<u>\$ 1,364,000</u>	(58,106)
Net assets - beginning			<u>8,968,447</u>
Net assets - ending			<u>\$ 8,910,341</u>

Village of Algonquin, Illinois

Agency Fund - Developer Deposits

Statement of Changes in Assets and Liabilities  
Year Ended April 30, 2009

	Balance, May 1	Additions	Deductions	Balance, April 30
<b>Assets</b>				
Cash and cash equivalents	\$ 869,592	\$ 910,368	\$ 899,265	\$ 880,695
<b>Liabilities</b>				
Deposits	\$ 869,592	\$ 910,368	\$ 899,265	\$ 880,695

**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, 2009

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Assets

Governmental funds capital assets	
Land	\$ 95,629,414
Buildings	15,976,573
Improvements other than buildings	12,762,416
Vehicles and equipment	6,559,692
Streets/storm sewers/bridges	90,169,837
Construction in progress	<u>1,629,656</u>
Total governmental funds capital assets	<u><u>\$ 222,727,588</u></u>

Investment in Governmental Funds Capital Assets By Source

From current revenues and developer donations	\$ 204,746,939
Debt issuance	11,585,000
Intergovernmental	<u>6,395,649</u>
Total governmental funds capital assets	<u><u>\$ 222,727,588</u></u>

Village of Algonquin, Illinois

Capital Assets Used in the Operation of Governmental Funds  
 Schedule by Function and Activity  
 April 30, 2009

	Land	Buildings	Improvements Other Than Buildings	Vehicles and Equipment	Streets/ Storm Sewers/ Bridges	Construction in Progress	Total
General government	\$ 3,091,038	\$ 5,415,205	\$ 1,567,360	\$ 3,145,526	\$ -	\$ -	\$ 13,219,129
Public safety	-	-	-	736,150	-	-	736,150
Public works	92,538,376	10,561,368	11,195,056	2,678,016	90,169,837	1,629,656	208,772,309
	<u>\$ 95,629,414</u>	<u>\$ 15,976,573</u>	<u>\$ 12,762,416</u>	<u>\$ 6,559,692</u>	<u>\$ 90,169,837</u>	<u>\$ 1,629,656</u>	<u>\$ 222,727,588</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, 2009

	Balance May 1, 2008	Additions	Deletions	Balance April 30, 2009
General government	\$ 12,748,084	\$ 492,102	\$ 21,057	\$ 13,219,129
Public safety	621,375	143,365	28,590	736,150
Public works	212,549,882	6,191,030	9,968,603	208,772,309
	<u>\$ 225,919,341</u>	<u>\$ 6,826,497</u>	<u>\$ 10,018,250</u>	<u>\$ 222,727,588</u>

**OTHER SUPPLEMENTARY INFORMATION**

Village of Algonquin, Illinois

Long-Term Debt Requirements  
 General Obligation Refunding Bonds, Series 2001A  
 April 30, 2009

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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	
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>\$ 52,521</u>	<u>\$ 1,230,000</u>	<u>\$ 52,521</u>	<u>\$ 1,335,042</u>

Village of Algonquin, Illinois

Long-Term Debt Requirements  
 General Obligation Refunding Bonds, Series 2001B  
 April 30, 2009

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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	
2010	\$ 7,109	\$ 325,000	\$ 7,109	\$ 339,218

Village of Algonquin, Illinois

Long-Term Debt Requirements  
 General Obligation Bonds, Series 2002A  
 April 30, 2009

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	
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>\$ 266,934</u>	<u>\$ 2,985,000</u>	<u>\$ 266,934</u>	<u>\$ 3,518,868</u>

Village of Algonquin, Illinois

Long-Term Debt Requirements  
General Obligation Bonds, Series 2002B  
April 30, 2009

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

**Principal and Interest Requirements**

Fiscal Year	April 1		Total
	Principal	Interest	
2016	\$ 475,022	\$ 199,978	\$ 675,000
2017	449,715	225,285	675,000
2018	425,331	249,669	675,000
2019	416,782	283,218	700,000
2020	393,419	306,581	700,000
2021	294,935	265,065	560,000
	<u>\$ 2,455,204</u>	<u>\$ 1,529,796</u>	<u>\$ 3,985,000</u>

Village of Algonquin, Illinois

Long Term Debt Obligations  
 General Obligation Bonds, Series 2005A  
 April 30, 2009

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	
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>\$ 1,882,800</u>	<u>\$ 8,940,000</u>	<u>\$ 1,882,800</u>	<u>\$ 12,705,601</u>

Village of Algonquin, Illinois

Long Term Debt Obligations  
 General Obligation Bonds, Series 2005B  
 April 30, 2009

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	
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>\$ 522,360</u>	<u>\$ 2,935,000</u>	<u>\$ 522,360</u>	<u>\$ 3,979,720</u>

STATISTICAL SECTION  
(unaudited)

## Statistical Section

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

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	103-108
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the factors affecting the Village's ability to generate its property and sales taxes.	109-114
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.	115-118
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place and to help make comparisons over time and with other governments.	119-121
<b>Operating Information</b> These schedules contain information about the Village's operations and resources to help the reader understand how the Village's financial information relates to the services the Village provides and the activities it performs.	122-124

### 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 Six Fiscal Years

	Fiscal Year					
	2004	2005	2006	2007	2008	2009
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	\$ 179,027,466
Restricted	1,641,311	1,109,522	1,143,253	6,507,747	5,615,510	6,281,547
Unrestricted	5,633,822	7,566,682	10,808,910	8,448,512	6,286,051	7,633,118
Total Governmental Activities	<u>\$ 158,649,521</u>	<u>\$ 191,965,056</u>	<u>\$ 195,813,165</u>	<u>\$ 196,246,028</u>	<u>\$ 197,405,807</u>	<u>\$ 192,942,131</u>
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	\$ 73,436,233
Restricted	681,047	676,399	1,150,782	785,446	804,588	406,000
Unrestricted	8,415,453	5,103,093	9,517,702	6,085,709	2,254,481	4,727,611
Total Business-type Activities	<u>\$ 55,322,247</u>	<u>\$ 72,330,737</u>	<u>\$ 73,193,829</u>	<u>\$ 74,580,692</u>	<u>\$ 77,158,920</u>	<u>\$ 78,569,844</u>
Total						
Invested in Capital Assets Net of Related Debt	\$ 197,600,135	\$ 249,840,097	\$ 246,386,347	\$ 248,999,306	\$ 259,604,097	\$ 252,463,699
Restricted	2,322,358	1,785,921	2,294,035	7,293,193	6,420,098	6,687,547
Unrestricted	14,049,275	12,669,775	20,326,612	14,534,221	8,540,532	12,360,729
Total Primary Government	<u>\$ 213,971,768</u>	<u>\$ 264,295,793</u>	<u>\$ 269,006,994</u>	<u>\$ 270,826,720</u>	<u>\$ 274,564,727</u>	<u>\$ 271,511,975</u>

Data Source

Audited Financial Statements

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

	Fiscal Year					
	2004	2005	2006	2007	2008	2009
<b>Expenses</b>						
<b>Governmental Activities</b>						
General Government	\$ 3,431,227	\$ 5,287,207	\$ 4,382,832	\$ 7,486,196	\$ 4,378,364	\$ 4,618,093
Public Safety	5,460,846	5,681,127	6,808,738	6,023,380	6,987,936	7,686,244
Public Works	5,710,739	7,383,989	7,655,372	7,567,852	9,844,829	16,991,574
Interest	364,595	359,523	428,104	440,111	378,502	408,053
<b>Total Governmental Activities Expenses</b>	<b>14,967,407</b>	<b>18,711,846</b>	<b>19,275,046</b>	<b>21,517,539</b>	<b>21,589,631</b>	<b>29,703,964</b>
<b>Business-type Activities</b>						
Water and Sewer	5,598,450	9,660,213	6,838,648	7,530,363	7,600,797	8,708,844
<b>Total Business-type Activities Expenses</b>	<b>5,598,450</b>	<b>9,660,213</b>	<b>6,838,648</b>	<b>7,530,363</b>	<b>7,600,797</b>	<b>8,708,844</b>
<b>Total Primary Government Expenses</b>	<b>\$ 20,565,857</b>	<b>\$ 28,372,059</b>	<b>\$ 26,113,694</b>	<b>\$ 29,047,902</b>	<b>\$ 29,190,428</b>	<b>\$ 38,412,808</b>
<b>Program Revenues</b>						
<b>Governmental Activities</b>						
<b>Charges for Services</b>						
General Government	\$ 1,361,652	\$ 2,041,643	\$ 1,510,482	\$ 1,523,407	\$ 1,266,281	\$ 1,416,942
Public Safety	890,323	853,227	645,748	610,043	715,082	745,832
Public Works	75,090	86,102	34,570	105,074	78,279	42,130
Operating Grants and Contributions	2,569,938	3,485,828	1,604,390	1,213,851	1,156,090	1,017,003
Capital Grants and Contributions	16,116,299	32,715,967	4,109,196	1,586,198	1,487,548	3,807,774
<b>Total Governmental Activities Program Revenues</b>	<b>21,013,302</b>	<b>39,182,767</b>	<b>7,904,386</b>	<b>5,038,573</b>	<b>4,703,280</b>	<b>7,029,681</b>
<b>Business-type Activities</b>						
<b>Charges for Services</b>						
Water and Sewer	5,933,858	8,026,313	7,273,018	5,665,128	5,602,144	5,624,824
Operating Grants and Contributions	1,108,796	499,280	3,200	1,090	54,641	34,040
Capital Grants and Contributions	5,864,326	17,961,942	179,541	-	465,381	959,913
<b>Total Business-type Activities Program Revenues</b>	<b>12,906,980</b>	<b>26,487,535</b>	<b>7,455,759</b>	<b>5,666,218</b>	<b>6,122,166</b>	<b>6,618,777</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 33,920,282</b>	<b>\$ 65,670,302</b>	<b>\$ 15,360,145</b>	<b>\$ 10,704,791</b>	<b>\$ 10,825,446</b>	<b>\$ 13,648,458</b>
<b>Net (Expense) Revenue</b>						
Governmental Activities	\$ 6,045,895	\$ 20,470,921	\$ (11,370,660)	\$ (16,478,966)	\$ (16,886,351)	\$ (22,674,283)
Business-type Activities	7,308,530	16,827,322	617,111	(1,864,145)	(1,478,631)	(2,090,067)
<b>Total Primary Government Net (Expense) Revenue</b>	<b>\$ 13,354,425</b>	<b>\$ 37,298,243</b>	<b>\$ (10,753,549)</b>	<b>\$ (18,343,111)</b>	<b>\$ (18,364,982)</b>	<b>\$ (24,764,350)</b>

(Continued)

Village of Algonquin, Illinois

Change in Net Assets (Continued)  
Last Six Fiscal Years

	Fiscal Year					
	2004	2005	2006	2007	2008	2009
<b>General Revenues and Other Changes in Net Assets</b>						
Governmental Activities						
Taxes						
Property	\$ 3,296,024	\$ 3,889,332	\$ 4,266,257	\$ 4,720,450	\$ 5,168,603	\$ 5,583,456
Sales	3,569,189	4,105,890	5,573,263	6,543,069	6,510,307	6,848,007
Income and Use	1,732,317	2,231,053	2,496,391	2,771,039	3,426,760	3,067,163
Utility	1,070,443	1,145,222	1,397,896	1,739,948	1,023,062	1,014,164
Other	1,135,522	1,219,739	1,124,126	512,757	899,998	887,618
Investment Earnings	126,958	158,115	325,513	615,840	601,941	342,425
Miscellaneous	(407,067)	95,263	35,323	8,726	415,459	467,774
<b>Total Governmental Activities</b>	<b>10,523,386</b>	<b>12,844,614</b>	<b>15,218,769</b>	<b>16,911,829</b>	<b>18,046,130</b>	<b>18,210,607</b>
Business-type Activities						
Sales	-	-	-	2,568,447	3,567,652	3,112,492
Investment Earnings	114,704	181,168	245,981	577,561	230,995	79,999
Miscellaneous	(250,395)	-	-	105,000	258,212	308,500
<b>Total Business-type Activities</b>	<b>(135,691)</b>	<b>181,168</b>	<b>245,981</b>	<b>3,251,008</b>	<b>4,056,859</b>	<b>3,500,991</b>
<b>Total Primary Government</b>	<b>\$ 10,387,695</b>	<b>\$ 13,025,782</b>	<b>\$ 15,464,750</b>	<b>\$ 20,162,837</b>	<b>\$ 22,102,989</b>	<b>\$ 21,711,598</b>
<b>Change in Net Assets</b>						
Governmental Activities	\$ 16,569,281	\$ 33,315,535	\$ 3,848,109	\$ 432,863	\$ 1,159,779	\$ (4,463,676)
Business-type Activities	7,172,839	17,008,490	863,092	1,386,863	2,578,228	1,410,924
<b>Total Primary Government</b>	<b>\$ 23,742,120</b>	<b>\$ 50,324,025</b>	<b>\$ 4,711,201</b>	<b>\$ 1,819,726</b>	<b>\$ 3,738,007</b>	<b>\$ (3,052,752)</b>

Data Source

Audited Financial Statements

Village of Algonquin, Illinois

Fund Balances of Governmental Funds

Last Ten Fiscal Years

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved	\$ 114,531	\$ 65,287	\$ -	\$ 56,663	\$ 67,970	\$ 73,572	\$ 73,689	\$ 489,665	\$ 128,273	\$ 91,051
Designated	-	-	-	-	-	-	-	439,570	370,413	723,366
Unreserved	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	7,537,908
<b>Total General Fund</b>	<b>\$ 2,530,495</b>	<b>\$ 2,974,456</b>	<b>\$ 2,044,362</b>	<b>\$ 1,212,206</b>	<b>\$ 2,052,193</b>	<b>\$ 3,920,279</b>	<b>\$ 4,811,363</b>	<b>\$ 6,695,261</b>	<b>\$ 7,739,507</b>	<b>\$ 8,352,325</b>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 2,135,363	\$ 1,570,213	\$ 4,505,881	\$ 6,095,826	\$ 5,580,401	\$ 6,191,767
Unreserved, reported in										
Special Revenue Funds	6,241,000	7,497,457	8,104,587	6,875,752	3,567,165	3,715,606	3,074,909	2,199,087	2,347,141	3,088,941
Capital Project Funds	654,065	1,543,668	7,850,974	2,719,338	31,162	(21,899)	63,877	74,556	80,778	127,264
Debt Service Funds	498,407	537,517	582,010	595,259	-	-	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 7,393,472</b>	<b>\$ 9,578,642</b>	<b>\$ 16,537,571</b>	<b>\$ 10,190,349</b>	<b>\$ 5,733,690</b>	<b>\$ 5,263,920</b>	<b>\$ 7,644,667</b>	<b>\$ 8,369,469</b>	<b>\$ 8,008,320</b>	<b>\$ 9,407,972</b>

Data Source

Audited Financial Statements

Village of Algonquin, Illinois

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Revenues</b>										
Taxes	\$ 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	\$ 17,616,380
Licenses and Permits	703,225	1,130,910	1,195,121	1,081,629	711,050	1,564,632	1,111,868	798,701	716,764	934,656
Intergovernmental, grants and contributions	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	1,591,706
Charges for Services	980,895	838,563	849,321	902,084	811,630	557,327	480,582	815,555	696,065	520,417
Fines and Forfeitures	514,247	523,258	641,270	564,154	804,387	859,013	576,564	583,982	615,449	694,899
Investment Income	431,559	640,433	442,898	378,085	126,958	158,115	325,514	615,840	601,942	342,425
Miscellaneous	815,751	591,643	1,147,376	772,364	148,336	135,415	65,359	76,337	74,794	128,001
<b>Total Revenues</b>	<b>11,524,053</b>	<b>13,192,698</b>	<b>13,800,430</b>	<b>14,774,956</b>	<b>15,893,180</b>	<b>19,262,765</b>	<b>19,703,539</b>	<b>20,829,496</b>	<b>21,551,298</b>	<b>21,828,484</b>
<b>Expenditures</b>										
General Government	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	4,159,903
Public Safety	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	7,516,079
Highways and Streets	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	5,101,332
Culture and Recreation	627,698	593,221	1,044,047	1,749,971	-	-	-	-	-	-
Miscellaneous	-	-	47,480	54,879	-	-	-	-	-	-
Capital Outlay	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	2,305,322
Debt Service										
Principal	260,000	300,000	380,000	365,000	385,000	463,181	504,547	543,317	597,355	451,600
Interest	229,175	215,202	152,403	297,446	271,768	261,888	296,134	331,567	307,192	281,778
<b>Total Expenditures</b>	<b>9,635,859</b>	<b>10,650,464</b>	<b>14,708,879</b>	<b>21,871,565</b>	<b>20,472,748</b>	<b>18,116,197</b>	<b>19,341,834</b>	<b>18,220,796</b>	<b>20,833,201</b>	<b>19,816,014</b>
Excess of Revenues over (under)										
Expenditures	1,888,194	2,542,234	(908,449)	(7,096,609)	(4,579,568)	1,146,568	361,705	2,608,700	718,097	2,012,470

(Continued)

Village of Algonquin, Illinois

Changes in Fund Balances of Governmental Funds (Continued)

Last Ten Fiscal Years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Other financing Sources (Uses)</b>										
Transfers In	\$ 917,531	\$ 1,184,083	\$ 2,495,312	\$ 1,348,251	\$ 560,319	\$ 562,909	\$ 574,104	\$ 617,081	\$ 1,050,798	\$ 669,376
Transfers Out	(1,155,820)	(1,191,628)	(521,700)	(1,184,790)	(560,319)	(562,909)	(574,104)	(617,081)	(1,085,798)	(669,376)
Proceeds from Capital Lease	-	-	-	-	-	250,000	-	-	-	-
Proceeds from bonds	-	-	6,672,542	-	-	-	2,935,000	-	-	-
Discount on general obligation bonds	-	-	-	-	-	-	(24,874)	-	-	-
Transfer to refunded bond escrow	-	-	(1,883,335)	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	36,107	1,748	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(238,289)</b>	<b>(7,545)</b>	<b>6,762,819</b>	<b>163,461</b>	<b>36,107</b>	<b>251,748</b>	<b>2,910,126</b>	<b>-</b>	<b>(35,000)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 1,649,905</b>	<b>\$ 2,534,689</b>	<b>\$ 5,854,370</b>	<b>\$ (6,933,148)</b>	<b>\$ (4,543,461)</b>	<b>\$ 1,398,316</b>	<b>\$ 3,271,831</b>	<b>\$ 2,608,700</b>	<b>\$ 683,097</b>	<b>\$ 2,012,470</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>6.71%</b>	<b>6.22%</b>	<b>5.47%</b>	<b>5.58%</b>	<b>5.42%</b>	<b>4.87%</b>	<b>5.19%</b>	<b>5.58%</b>	<b>4.94%</b>	<b>4.19%</b>

Data Source

Audited Financial Statements

Village of Algonquin, Illinois

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

Levy Year	EQUALIZED ASSESSED VALUATION					Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value	Commercial and Industrial		Residential	
	Residential Property	Commercial Property	Industrial Property	Other Property	Number of permits					Value (1)	Number of permits	Value (1)	
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	
2008	945,636,052	192,038,216	15,042,082	2,357,036	1,155,073,386	0.4849	3,465,220,158	33.333%	10	23,298,000	15	5,344,348	

Data Source

Assessed Value, Tax Rate, Taxable Value: Office of the County Clerks and Township Assessors  
Permits and Construction Value: Village of Algonquin Records

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

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

Grafton Township - Quadrennial (minimum)

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

Village of Algonquin, Illinois

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

	Levy Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Village Direct Rates										
General Corporate	\$ 0.4942	\$ 0.4888	\$ 0.5017	\$ 0.4559	\$ 0.4837	\$ 0.4765	\$ 0.4641	\$ 0.4642	\$ 0.4701	\$ 0.4849
Overlapping Rates										
Fire Districts (4)	1.8356	2.1062	2.0794	2.1951	2.0966	2.1202	2.0788	2.1485	2.1066	2.1304
Kane County	0.4772	0.4677	0.4529	0.4292	0.3578	0.3467	0.3367	0.3452	0.3322	0.3336
Kane County Forest Preserve	0.1985	0.1634	0.1520	0.1395	0.1270	0.1432	0.1905	0.1747	0.1974	0.1932
McHenry County	0.6482	0.6440	0.6380	0.6725	0.7153	0.7346	0.7278	0.7060	0.6871	0.7014
McHenry County Conservation	0.1282	0.1254	0.1808	0.1734	0.1663	0.1580	0.1490	0.1425	0.1738	0.1732
Park Districts (3)	0.7623	0.8198	0.7403	0.6960	0.7603	0.7577	0.7313	0.7121	0.6862	0.6580
Public Libraries (3)	0.7116	0.7017	0.7244	0.7484	0.7199	0.7104	0.6675	0.8695	0.8456	0.8438
Road & Bridge (3)	0.3162	0.3008	0.2898	0.2769	0.2587	0.2439	0.2335	0.2281	0.2210	0.2237
Schools (4)	13.2503	9.3110	9.5809	9.1332	8.6983	8.9773	9.0626	8.7973	8.5327	8.4892
Townships (3)	0.3425	0.3425	0.3341	0.3217	0.3051	0.2899	0.2753	0.2411	0.2527	0.2522

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	2008			2004*		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
In Retail Fund Algonquin Commons LLC	\$ 31,805,337	1	2.75%	\$ 4,092,499	3	0.49%
Rubloff Oakridge Algonquin LLC	9,412,240	2	0.81%	-	-	0.00%
Target Corporation	4,835,791	3	0.42%	3,983,003	4	0.48%
Wal-Mart Real Estate	4,504,060	4	0.39%	3,691,297	7	0.37%
LTF USA Real Estate LLC	4,086,415	5	0.35%	3,832,384	6	0.46%
Meijer Stores LTD Partnership	3,976,726	6	0.34%	5,184,463	2	0.62%
HD Development of MD Inc.	3,651,457	7	0.32%	3,092,940	8	0.37%
Jewel Food Stores, Inc.	3,602,690	8	0.31%	-	-	0.00%
RPA Shopping Center Ph. 1 LLC	3,246,540	9	0.28%	3,050,000	9	0.37%
Nickels Quarters LLC	3,066,196	10	0.27%	-	-	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	10	0.34%
	<u>\$ 72,187,452</u>		<u>6.25%</u>	<u>\$ 41,495,303</u>		<u>4.90%</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
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	5,241,875	99.94%
2008	5,601,009	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 most recent levy year are not available (N/A)

Village of Algonquin, Illinois

Sales Tax Base and Number of Principal Payers  
 Taxable Sales by Category  
 Last Ten Calendar Years

	Calendar Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Merchandise	\$ -	\$ -	\$ -	\$ -	\$ 137,617	\$ 1,058,941	\$ 1,040,830	\$ 1,134,546	\$ 1,181,247	\$ 1,128,164
Food	541,246	640,038	852,672	1,175,490	1,355,084	541,265	494,863	668,337	792,506	903,485
Drinking and Eating Places	186,363	206,762	241,338	294,464	326,706	380,648	573,544	625,786	632,570	622,420
Apparel	-	-	1,195	-	7,293	125,721	490,072	549,577	575,270	509,925
Furniture & H.H. & Radio	27,877	29,778	30,980	26,155	43,667	119,671	423,118	629,713	727,475	639,712
Lumber, Building, Hardware	45,088	319,595	326,660	340,652	369,377	349,357	313,334	324,388	341,289	356,094
Automobile and Filling Stations	117,587	137,134	133,934	165,283	305,002	980,034	1,067,088	1,110,196	1,159,194	1,173,824
Drugs and Miscellaneous Retail	250,054	268,698	311,220	301,959	316,753	391,772	587,094	775,525	870,839	866,106
Agriculture and All Others	174,389	161,648	194,278	206,661	121,758	142,410	165,951	184,814	192,069	180,022
Manufacturers	98,227	102,916	118,557	99,685	129,754	141,810	135,846	116,495	126,597	109,840
<b>Total</b>	<b>\$ 1,440,842</b>	<b>\$ 1,866,569</b>	<b>\$ 2,210,834</b>	<b>\$ 2,618,726</b>	<b>\$ 3,308,709</b>	<b>\$ 4,057,929</b>	<b>\$ 5,291,741</b>	<b>\$ 6,144,349</b>	<b>\$ 6,599,056</b>	<b>\$ 6,504,882</b>
Total Number of Payers	585	560	580	700	674	770	906	944	989	825
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%	0.75%	0.75%	0.75%

Data Source

Illinois Department of Revenue

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

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

Village of Algonquin, Illinois

Direct and Overlapping Sales Tax Rates  
Last Ten Fiscal Years

Fiscal Year	Village Direct Rate	State Rate
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%
2009	1.75%	6.00%

Data Source

Village and County Records

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

Village of Algonquin, Illinois

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities		Business-Type Activities		Total Primary Government	Ratio of Total Outstanding Debt To Equalized Assessed Valuation*	Total Outstanding Debt Per Capita*
	General Obligation Bonds	Capital Leases	General Obligation Bonds	Revenue Bonds			
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
2009	8,700,204	-	10,170,000	-	18,870,204	1.63%	619.06

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	
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
2009	18,870,204	3,460,655	15,409,549	1.33%	505.53	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, 2009

Governmental unit	Gross Debt	Percentage Debt Applicable to the Village of Algonquin*	Village of Algonquin Share of Debt
Kane County	\$ 44,455,000	1.96%	\$ 871,318
McHenry County	-		-
McHenry County Conservation District	150,146,000	8.09%	12,146,811
Kane County Forest Preserve	248,800,866	1.96%	4,876,497
Dundee Township Park District	6,165,000	15.42%	950,643
Huntley Park District	19,475,000	9.70%	1,889,075
Dundee Township	13,695,000	15.42%	2,111,769
Algonquin Library	6,300,000	76.69%	4,831,470
Huntley Library	1,035,000	4.02%	41,607
Schools			
District No. 300	313,185,230	34.89%	109,270,327
District No. 158	78,405,645	10.11%	7,926,811
District No. 509	<u>54,903,488</u>	9.44%	<u>5,182,889</u>
Subtotal, overlapping debt	<u>936,566,229</u>		<u>150,099,217</u>
Village of Algonquin direct debt	\$ 18,870,204	100.00%	\$ 18,870,204
Total direct and overlapping debt	<u>\$ 955,436,433</u>		<u>\$ 168,969,421</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, 2009

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The Village is a home rule municipality.

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

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

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

Village of Algonquin, Illinois

Pledged Revenue Coverage  
Last Ten Fiscal Years

Water Revenue Bonds							
Fiscal Year	Water Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest		
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	
2009	9,286,350	4,645,700	4,640,650	225,000	8,550	19.87	

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
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%
2008	30,482	(E)	1,155,073,386	37,894	5.1%

(A) Actual

(E) Estimate

Note: Personal Income data not available.

Information for 2009 not currently available.

Village of Algonquin, Illinois

Principal Employers

Current Year and Ten Years Ago

Employer	2008			1998		
	Employees	Rank	% of Total Village Population	Employees	Rank	% of Total Village Population
School District Number 300*	404	1	2.51%	285	1	4.57%
Village of Algonquin	171	2	1.06%	95	7	1.52%
Kenmode Tool and Engineering, Inc.	160	3	0.99%	125	4	2.00%
Wauconda Tool and Engineering, Inc.	135	4	0.84%	130	3	2.08%
Meyer Material Co.	100	5	0.62%	30	10	0.48%
Duro-Life Corp.	80	6	0.50%	115	6	1.84%
Schiffmayer Plastics Corp.	75	7	0.47%	200	2	3.21%
Target Manufacturing Inc.	50	8	0.31%	-	-	0.00%
Algonquin State Bank	50	8	0.31%	50	8	0.80%
Burnex Corp.	30	9	0.19%	-	-	0.00%
Hanson Material Service Corp.	30	9	0.19%	-	-	0.00%
SubCon Mfg. Corp.	30	9	0.19%	-	-	0.00%
Marshall Wolf Automation, Inc.	30	9	0.19%	-	-	0.00%
RE/MAX Unlimited Northwest	25	10	-	-	-	0.00%
Universal Cleaning Service, Inc.	25	10	-	-	-	0.00%
Grecon Manufacturing Inc.	-	-	-	40	9	0.00%

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

Note: Information for 2009 not currently available. 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. August 24, 2009.  
<http://lmi.ides.state.il.us/laus/townh2008.htm>

Village of Algonquin, Illinois

Full-Time Equivalent Employees  
Last Ten Fiscal Years

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Full-Time-Equivalent Employees as of April 30										
General Government										
Administration	9	14	13	15	15	16	17	18	18	22
Community Development	8	10	11	11	11	10	12	12	12	12
Public Safety										
Police										
Officers	37	38	40	41	41	42	46	46	49	50
Civilians	11	10	12	14	14	14	7	7	9	11
Public Works										
Public Works Administration	6	9	7	7	7	8	9	9	7	8
Streets Department	9	10	12	12	12	13	14	14	15	16
Parks	7	9	12	12	13	13	14	14	14	17
Building Maintenance	0	0	0	0	0	0	0	0	3	3
Vehicle Maintenance	0	0	3	4	5	4	5	5	4	6
Water										
Water and Sewer	16	17	18	19	20	20	20	19	22	22
Pool	N/A	4								
Total	103	117	128	135	138	140	144	144	153	171

Data Source

Village Finance Department

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

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

Village of Algonquin, Illinois

Operating Indicators  
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government										
Community Development										
Building permits issued	N/A	N/A	1,703	2,043	2,028	2,403	1,913	2,065	1,893	3,377
Building inspections conducted	N/A	N/A	15,600	9,800	9,911	12,414	9,463	6,517	4,290	5,646
Property maintenance inspections conducted	N/A	N/A	1,040	954	1,165	1,219	1,943	2,688	2,452	9,455
Public Safety										
Police										
Physical arrests	1,230	1,100	987	1,015	776	786	279	946	703	939
Parking violations	N/A	793	617	1,320	576	869	548	1,142	1,243	992
Traffic violations	5,201	5,304	8,078	9,237	5,940	6,075	2,057	6,394	6,684	6,611
Public Works										
Streets										
Street resurfacing (miles)	1.44	1.33	6.24	1.45	5.60	0.67	1.12	0.80	1.22	0.95
Potholes repaired	360	340	325	270	300	280	210	330	370	450
Parks and Recreation										
Park sites	15	16	17	18	19	20	20	21	22	22
Developed park acreage	184	185	199	234	247	251	251	253	155	155
Open space	149	154	154	197	273	273	273	273	512	512
Water										
New Connections (tap-ons)	N/A	N/A	632	296	365	440	400	400	21	20
Average daily consumption*	2,500	2,900	2,740	2,930	2,810	2,808	3,003	2,899	2,946	3,000
Peak daily consumption*	4,200	4,000	6,342	6,154	4,443	4,895	5,610	4,679	4,428	4,200
Wastewater										
Average daily sewage treatment**	2	2	2	2	3	3	3	3.2	3.0	3.5

\* (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									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Geographic Patrol Areas	5	5	5	5	5	5	6	6	6	6
Public Works										
Streets										
Streets (miles)	N/A	N/A	N/A	N/A	200	248	248	249	249	249
Streetlights	48	58	100	130	130	160	160	228	228	228
Parks and Recreation										
Acreage	333	339	353	431	520	524	524	526	647	667
Playgrounds	11	12	13	14	15	16	16	17	18	18
Sites with baseball diamonds	7	7	8	9	9	9	9	9	9	9
Sites with soccer fields	8	8	9	10	10	11	11	11	11	11
Sites with basketball courts	8	9	10	11	12	13	13	13	14	14
Sites with tennis courts	3	3	4	4	4	4	4	4	5	5
Water										
Water mains (miles)	N/A	N/A	N/A	102	130	150	160	168	168	159
Fire hydrants	N/A	N/A	N/A	1,573	1,650	2,050	2,180	2,200	2,207	2,049
Storage capacity*	2.640	2.640	2.640	2.640	2.640	2.640	3.390	3.390	3.390	3390.000
Wastewater										
Sanitary sewers (miles)	N/A	N/A	N/A	99	112	127	135	135	135	134
Treatment capacity*	1.927	2.252	3.030	2.799	3.027	2.872	2.834	2.980	2.828	5.000

Data Source

Various Village departments

\* (thousands of gallons)