

# **Village of Algonquin, Illinois**

Comprehensive Annual Financial Report  
Year Ended April 30, 2005

# Village of Algonquin, Illinois

Comprehensive Annual Financial Report  
Year Ended April 30, 2005

Issued by the Finance Department

John R. Walde  
Finance Director

## INTRODUCTORY SECTION

# Village of Algonquin, Illinois

## Comprehensive Annual Financial Report

Year Ended April 30, 2005

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Village of Algonquin, Illinois  
Principal Officials

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Legislative

Village Board of Trustees

John C. Schmitt, Village President

Brian Dianis

Robert M. Smith

Jerry Glogowski

John Spella

Barbara W. Reed

Jim A. Steigert

Gerald S. Kautz, Clerk

Appointed Officials

William J. Ganek, Village Manager

John R. Walde, Treasurer





# Village of Algonquin

The Gem of the Fox River Valley

October 1, 2005

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, 2005, 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 2005 CAFR reflects the second year of implementing the Governmental Accounting Standards Board's (GASB) Statement 34 principles. GASB Statement 34 provides expanded reporting oversight for the Basic Financial Statements – Management Discussion and Analysis – for state and local governments, including infrastructure reporting. As management we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Village's financial statements have been audited by McGladrey & Pullen LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Village of Algonquin for the fiscal year ended April 30, 2005, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon audit, that there was a reasonable basis for rendering an unqualified opinion that the Village's financial statements for the fiscal year ended April 30, 2005, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

The Village of Algonquin, a home rule community as defined by the Illinois Constitution, was incorporated in 1890 and is located approximately 45 miles northwest of the City of Chicago in McHenry and Kane Counties. Algonquin has a land area of 12 square miles and a population of 27,885 as certified in the 2003 census. The Village also has the power by state statute to extend its corporate limits by annexation, which is done periodically when deemed appropriate, by the Village Board.

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

The Village provides a full range of services including police protection, the construction and maintenance of streets and other infrastructure, community development, general administration services 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<sup>st</sup> 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<sup>th</sup> 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 Algonquin Police Department completed the third year of a three to five year accreditation process for the Commission on Accreditation for Law Enforcement Agencies, Inc (CALEA). The Village, together with Crystal Lake and Cary, has been planning the opening of the Southeast Emergency Communications (SEECOM) dispatch center for Police and Fire Departments. Following the completion of construction and equipment installation, the center should be ready for dispatching in October 2005.

The Village continued to place an important emphasis on improving the street infrastructure this year with 3% of the street system reconstructed or improved. 2.87 miles of streets were improved at a total cost of \$3,067,000. A similar spending program is planned for the coming fiscal year.

Capital Improvements in the amount of \$7,500,000 were added to the Water & Sewer System this past year. The additions included Lakewood Water Tower, Grand Reserve and Braewood Lift Stations, Water Treatment Plant #3, SW Interceptor Sewer, and Well 8, 9 & 13 improvements. The FY 2006 budget continues the ambitious construction program with \$5,525,000 allocated to well improvements, the water treatment plant and expansion of the sewer treatment plant.

Community Development implemented the inaugural Ted Spella Community Leadership School, conducted numerous inspections and issued occupancy permits for 70 businesses located in Algonquin Commons, the largest Lifestyle Center in Illinois, which opened in the fall of 2004.

Park development included the completion of Algonquin Lakes park grading and completion of Phase 1 engineering for the Ted Spella Park Wetland Mitigation. The Village had previously been awarded a \$239,000 IDNR OSLAD grant for Cornish Park and construction will begin in FY 2006. A new IDNR OSLAD grant was awarded for Spella Park in the amount of \$400,000.

### **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 has been somewhat better than that of the State and Country as indicated by unemployment rates of 4.8%, 6.2% and 5.5% respectively. The statewide economy, however, has impacted Village finances. A major revenue source, state shared income tax, has seen a 13% reduction in per capita distributions from levels achieved in 2001. In addition, the state has been slow in making the payments of the allocations.

The major industry in the Village is retail sales as measured by the principal taxpayers list and state shared sales tax revenue, which is the Village's number one revenue source. Algonquin's commercial growth continued with the fall opening of approximately 70 retail stores and food establishments in Algonquin Commons along with new businesses on East Algonquin Road and in the Historic District. These new businesses together with growth in retail stores open more than one year generated increased shared sales tax collections of 19%.

**Debt Administration**

As of April 30, 2005, the Village had six outstanding debt issues, of which five were general obligation bonds. Outstanding were \$9,107,882 for general obligation bonds and \$890,000 for revenue bonds. Continuing its practice, the Village abated \$479,070 of debt service attributable to general obligation bonds. The Village is using sales tax as the revenue source for the debt service. Under current state statutes, the Village has no legal debt limit on general obligation debt.

**Long-Term Financial Planning**

The Village prefers a "pay as you go" philosophy in financing capital projects. The capital improvement program for street and infrastructure improvements is financed from five capital project funds (Motor Fuel Tax, Road Improvement, Park Fund, Water & Sewer Improvement and Construction, and Village Construction). With the exceptions of bonds issued for the financing of 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 1995 and 2002 bonds are being financed via the use of sales tax revenues. Algonquin has been active in grant applications for park development with a large degree of success so that a significant portion of the cost is reimbursed from state funds. Water & Sewer expansion is significantly financed by developer construction as well as tap-on fees and annexation agreements.

**Cash Management**

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

The Police Pension Fund is permitted to invest in equities as well as fixed income bonds with longer maturities. Yields from these assets for the year ended April 30, 2005 were 4.9%.

**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, 2005, in funding 61.5% of the actuarial accrued liabilities. The actuarial valuation as of April 30, 2005 determined that the net contribution due from the Village is \$489,474. The remaining unfunded amount is being systematically funded over 28 years as part of the annual required contribution calculated by the actuary.

The Village also provides pension benefits for its non-public safety employees. These benefits are provided through a statewide plan managed by the Illinois Municipal Retirement Plan (IMRF). The Village has no obligation in connection with employee benefits offered through this plan beyond its' contractual payments to IMRF.

Additional information on the Village's pension arrangements can be found in Note #9 in the financial statements.

### **Awards & Acknowledgments**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Algonquin for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended April 30, 2004. This was the first 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.

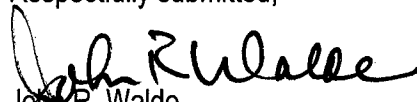
The Village also received the GFOA's Award for Distinguished Budget Presentation for its 2005 budget document. This was the first year the Village has received this prestigious award. In order to receive this award, a government must publish a budget document that meets program criteria as a policy document, 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 2005 CAFR and 2006 Budget continue to meet the Certificate of Achievement Program requirements and we are submitting the reports to the GFOA to determine its eligibility for another award.

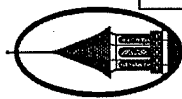
The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my appreciation especially to Susan Skillman, Assistant Finance Director, and Jodie Proschwitz, Accountant, and all other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

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

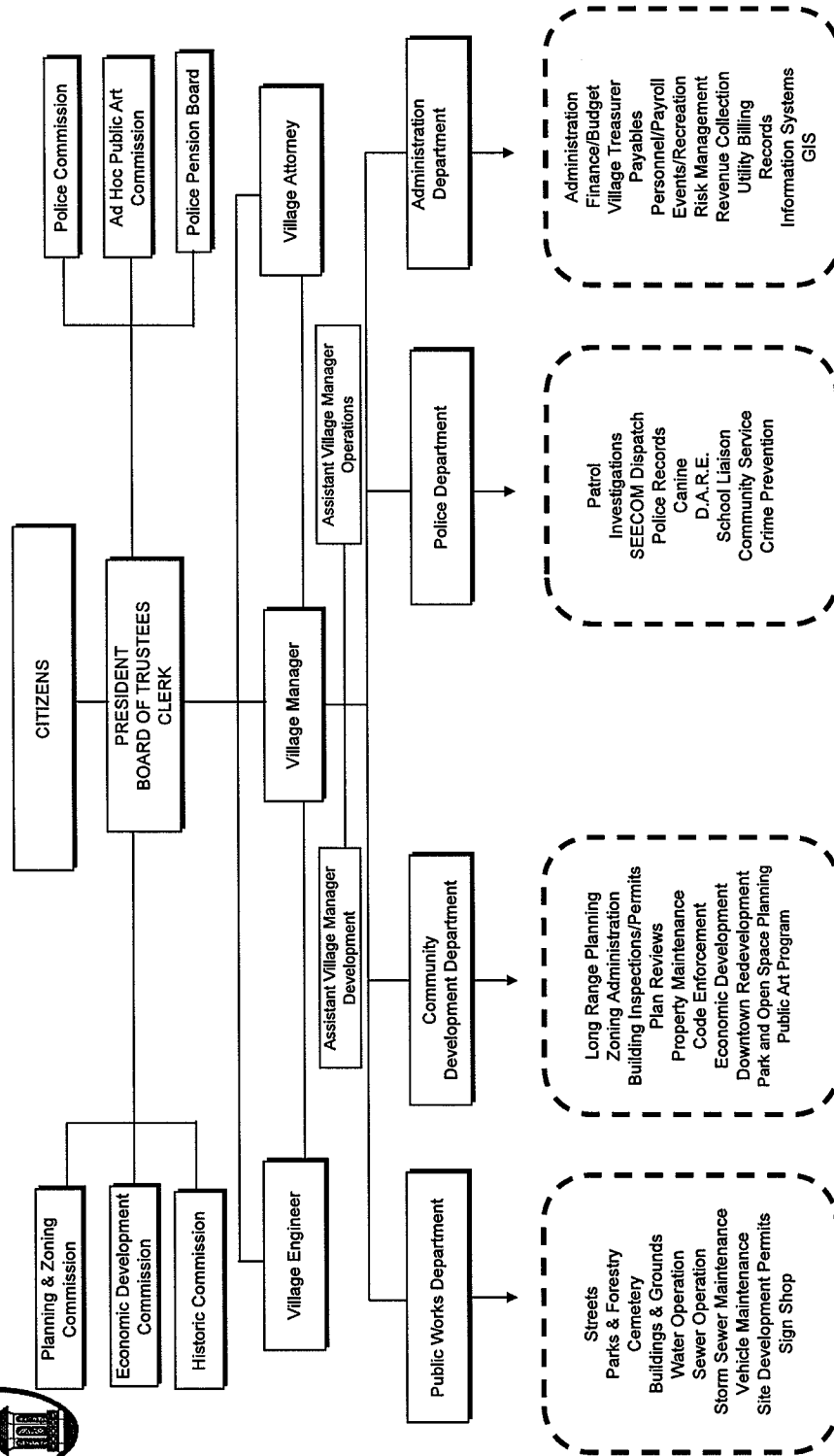
Respectfully submitted,



John R. Walde  
Finance Director



## VILLAGE OF ALGONQUIN 2005/2006 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, 2004

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.



*Nancy L. Ziehl*

President

*Jeffrey R. Enos*

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, 2005 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, 2005 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 – 15), budgetary comparison information (page 53) and pension related information (pages 54 and 55) 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 other 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 section, 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  
July 20, 2005

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

**April 30, 2005**

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

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Transmittal Letter (beginning on page vi) and the Village's financial statements (beginning on page 16).

**Financial Highlights**

- The Village's net assets increased by \$50.4 million (or 23.6%) during the fiscal year ended April 30, 2005 (FY05). The governmental net assets increased by \$33.4 million (or 21% from FY04) and the business-type activities net assets increased by \$17.0 million (or 30.7% from FY04).
- The Village's total change of net assets compared to FY04 increased by \$26.8 million with the governmental activities change in net assets increased by \$16.9 million and the business-type activities change in net assets increased by \$9.9 million.
- The governmental activities revenue increased by \$20.8 million (or 66.2%) due to an increase in capital contributions. The expenses increased by \$3.9 million (or 26.2%).
- The business-type activities revenue increased by \$14.0 million (or 110.0%) due to an increase in capital contributions. The expenses increased by \$4.1 million (or 72.5%).
- The total cost of all Village programs increased by \$8.0 million or 38.8%.

**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 16-19) are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns, which add to a total for the Primary Government. The focus of the Statement of Net Assets (the "Unrestricted Net Assets") is designed to be similar to bottom line results for the Village and its governmental and business-type activities. This statement combines and consolidates the governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities (see pages 18-19) 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, 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 20-23) 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 Fund and Developer Deposits Fund, see pages 29-30). While these Funds represents trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets 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 24-28) 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 21 and 23). 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. If the government develops the asset management system (the modified approach) which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The Village has chosen to depreciate assets over their useful lives. If a street project is considered maintenance – a recurring cost that does not extend the street's original useful life or expand its capacity – the cost of the project will be expensed. An "overlay" of a street will be considered maintenance whereas a "rebuild" of a street will be capitalized.

## GOVERNMENT-WIDE STATEMENTS

### Statement of Net Assets

The Village's combined net assets increased by \$50.4 million from FY04 – increasing from \$213.9 million to \$264.3 million. The following analysis will look at net assets and net expenses of the governmental and business-type activities separately. The total net assets for the governmental activities increased by \$33.4 million from \$158.6 million to \$192.0 million. The business-type activities net assets increased by \$17.0 million from \$55.3 million to \$72.3 million. Table 1 reflects the condensed Statement of Net Assets compared to FY04. Table 2 will focus on the changes in net assets of the governmental and business-type activities.

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

Table 1  
Statement of Net Assets  
As of April 30, 2005  
(in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2005	2004	2005	2004	2005	2004
Current and other assets	\$ 15.4	\$ 14.1	\$ 7.9	\$ 10.3	\$ 23.3	\$ 24.4
Capital assets	190.7	158.9	69.2	49.2	259.9	208.1
<b>Total assets</b>	<b>\$ 206.1</b>	<b>\$ 173.0</b>	<b>\$ 77.1</b>	<b>\$ 59.5</b>	<b>\$ 283.2</b>	<b>\$ 232.5</b>
Long-term liabilities	7.4	7.5	2.3	2.6	9.7	10.1
Other liabilities	6.7	6.8	2.5	1.6	9.2	8.4
<b>Total liabilities</b>	<b>\$ 14.1</b>	<b>\$ 14.3</b>	<b>\$ 4.8</b>	<b>\$ 4.2</b>	<b>\$ 18.9</b>	<b>\$ 18.5</b>
Net Assets:						
Invested in capital assets, net of debt	\$ 183.3	\$ 151.4	\$ 66.5	\$ 46.2	\$ 249.8	\$ 197.6
Restricted	1.1	1.6	0.7	0.7	1.8	2.3
Unrestricted	7.6	5.6	5.1	8.4	12.7	14.0
<b>Total net assets</b>	<b>\$ 192.0</b>	<b>\$ 158.6</b>	<b>\$ 72.3</b>	<b>\$ 55.3</b>	<b>\$ 264.3</b>	<b>\$ 213.9</b>

For more detailed information see the Statement of Net Assets (page 17).

### 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 \$50.4 million increase of combined net assets (which is the Village's bottom line) was the result of the governmental activities net assets increasing by \$33.4 million and the business-type activities increasing by \$17.0 million.

The governmental activities total assets increased by \$33.1 million and the governmental activities total liabilities decreased by \$.2 million. The total assets increase of \$33.1 million was a result of an increase of \$1.3 million in current and other assets and an increase of \$31.8 million of capital assets. Current assets increased \$1.0 million in cash and investments resulting from \$.5 million in additional property taxes (home rule status resulted in the property tax limitation no longer being applied) and \$.4 million in higher revenues due to strength in the state shared revenues of sales and income tax. Capital assets increased by \$31.8 million as the Village added \$23.3 million in land (\$20.4 million due to park lands and \$2.9 million in street right-of-way; both from developer contributions), and \$8.5 million in streets (\$2.0 million due to Village reconstruction and \$6.5 million from developer contributions).

The decrease in total liabilities of \$.2 million for the governmental activities was due to decreases in accounts payable of \$.6 million and \$.3 million in Bonds Payable for pay downs in debt, and increases of \$.5 million for unearned revenue related to property taxes and \$.2 million for new vehicle leases.

The net assets of the business-type activities increased by \$17.0 million from \$55.3 to \$72.3 million. Total assets of the business-type activities increased by \$17.6 million from \$59.5 to \$77.1 million. Cash and investments decreased by \$2.6 million as payments for capital assets increased by \$5.5 million. Capital assets increased by \$20.0 million including \$1.6 million for land (developer contributions), and \$18.4 for water and sewer improvements (\$7.5 million from village projects and the balance from developer contributions of water and sewer lines and equipment).

Total liabilities of the business-type activities increased by \$.6 million from \$4.2 million to \$4.8 million. Long term liabilities decreased by \$.4 million due to debt retirement while accounts payable increased by \$.8 million.

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

### Changes in Net Assets

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

Revenue	Governmental Activities		Business-Type Activities		Total Primary Government	
	2005	2004	2005	2004	2005	2004
Program Revenues						
Charges for Service	\$ 3.0	\$ 2.3	\$ 8.0	\$ 5.9	\$ 11.0	\$ 8.2
Grants and contributions						
Operating	3.5	2.5	0.5	1.1	4.0	3.6
Capital	32.7	16.1	18.0	5.8	50.7	21.9
General Revenue						
Property	3.9	3.2	-	-	3.9	3.2
Other taxes	8.8	7.5	-	-	8.8	7.5
Other	0.3	(0.2)	0.2	(0.1)	0.5	(0.3)
<b>Total Revenue</b>	<b>52.2</b>	<b>31.4</b>	<b>26.7</b>	<b>12.7</b>	<b>78.9</b>	<b>44.1</b>
<b>Expenses</b>						
Governmental Activities						
General Government	5.3	3.4	-	-	5.3	3.4
Public Safety	5.7	5.4	-	-	5.7	5.4
Public Works	7.4	5.7	-	-	7.4	5.7
Interest	0.4	0.4	-	-	0.4	0.4
Business Type						
Water and Sewer	-	-	9.7	5.6	9.7	5.6
<b>Total Expenses</b>	<b>18.8</b>	<b>14.9</b>	<b>9.7</b>	<b>5.6</b>	<b>28.5</b>	<b>20.5</b>
<b>Change in Net Assets</b>	<b>33.4</b>	<b>16.5</b>	<b>17.0</b>	<b>7.1</b>	<b>50.4</b>	<b>23.6</b>
<b>Net assets - beginning</b>	<b>158.6</b>	<b>142.1</b>	<b>55.3</b>	<b>48.2</b>	<b>213.9</b>	<b>190.3</b>
<b>Net assets - ending</b>	<b>\$ 192.0</b>	<b>\$ 158.6</b>	<b>\$ 72.3</b>	<b>\$ 55.3</b>	<b>\$ 264.3</b>	<b>\$ 213.9</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 60.5% 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.

## Current Year Impacts

### Governmental Activities

#### Revenue:

Total revenues for Governmental Activities increased \$20.8 million from \$31.4 million to \$52.2 million.

The Village has a diversified revenue structure and depends on several key revenue sources to help pay for the services provided. The Village increased its property tax collections by \$.6 million for two reasons: 1) – The Village is no longer subject to the property tax limitation act since the 2003 Special Census resulted in the Village attaining Home Rule status in Illinois. As a result, the tax rate per \$100 of equalized assessed valuation (EAV) increased from \$0.460 to \$0.484. 2) The Village's 2003 EAV increased 13.5% to \$834,437,331.

State shared sales tax revenues increased \$.6 million as the Village continued to expand its economic base with a significant number of retail store openings. State shared income tax revenues increased \$.5 million due to a full year of allocations based on the 2003 Special Census population increase which was 20%.

Building permits increased by \$.6 million due, in part, to Algonquin Commons retail strip center opening in the fall of 2004 with approximately 70 retail stores. By agreement with the developer, the cost of outsourced retail store design fees was added to the permit fees. In addition, the number of residential permits issued increased by 18%.

Capital contributions increased by \$16.6 million from \$16.1 million to \$32.7. Infrastructure assets contributed by development included \$23.6 million for land (\$20.7 million for park land and \$2.9 million for street right-of-way), and \$2.9 million for streets and storm sewers. In the prior year, the Village added \$26.5 million in capital infrastructure assets.

Investment returns recovered somewhat in the FY2005 stock market. The Police Pension Fund average yield was 4.92% whereas actuarial assumptions estimate that the Village will return 7% annually for Pension Fund purposes. The 5 year yield was 5.33%.

#### Expenses:

The Village's governmental activities total expenses increased by \$3.9 million from \$14.9 to \$18.8 million or 26.2%.

The Village's General Government function expenses increased \$1.9 million from \$3.4 to \$5.3 million. The significant increase was the payment of \$.9 million to school districts for school donation impact fees collected from developers. Public Works increased \$1.7 million from \$5.7 to \$7.4 million. The significant increase was \$1.0 million for overlay improvements for the street system.

### *Business-type Activities*

#### **Revenue:**

Total revenues for Business-type Activities increased \$14.0 million from \$12.7 to \$26.7 million. Charges for services increased \$2.1 million due to a 10% increase in water and sewer rates (\$0.4 million) and increased connection fees (\$3.9 million) attributable to the 18% increase in residential home permits as well as significant commercial development. Capital contributions (primarily from development) increased \$12.2 million from \$5.8 to \$18.0 million. Water mains and sanitary sewers (\$16.2 million) and land donations (\$1.6 million) for Water Treatment Plant #3 were significant additions.

#### **Expenses:**

The Village's Business-type Activities expenses increased \$4.1 million from \$5.6 to \$9.7 million. Depreciation expense increased by \$3.6 million due to capital additions and the water and sewer utility expenses increased by \$.5 million.

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

### **Governmental Funds**

At April 30, 2005, the governmental funds (as presented on the balance sheet on page 20) reported a combined fund balance of \$9.2 million or an increase of 17.9% from \$7.8 million at the beginning of the year. Of the total fund balance, \$7.5 million is unreserved indicating availability for continuing Village services. The net increase in the Fund Balance - Governmental Funds was primarily due to an increase of \$1.0 million in cash and investments that resulted from higher revenues from property taxes and state shared revenues.

### **General Fund Budgetary Highlights**

At the end of the fiscal year the Village Board prepares a year-end budget adjustment in order to provide formal spending authority for activity that took place during the year that was not anticipated when the original budget document was prepared. Below is a table that reflects the original and revised budget and the actual revenues and expenditures for the General Fund. More information can be found on the schedule of revenues, expenditures and changes in fund balance on page (22).

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

Table 3  
General Fund Budgetary Highlights  
(in millions)

General Fund	Original Budget	Amended Budget	Actual
Revenues and other financing sources			
Taxes	\$ 9.861	\$ 9.861	\$ 10.759
Intergovernmental	0.172	0.175	0.255
Other	2.358	2.658	2.987
<b>Total</b>	<b>\$ 12.391</b>	<b>\$ 12.694</b>	<b>\$ 14.001</b>
Expenditures and Transfers			
Expenditures	\$ 11.802	\$ 12.105	\$ 11.579
Transfers	0.612	0.612	0.554
<b>Total</b>	<b>12.414</b>	<b>12.717</b>	<b>12.133</b>
<b>Change in Fund Balance</b>	<b>\$ (0.023)</b>	<b>\$ (0.023)</b>	<b>\$ 1.868</b>

For more detailed information see pages 53, and 57-60.

Actual General Corporate Fund revenues were \$1.31 million more than the amended budget for 2005. Property taxes exceeded budget by \$.491 million because the Village achieved Home Rule status after the budget was completed and there is no longer an adjustment to the Village tax levy by the county for limitation purposes. State shared income tax and sales tax revenues exceeded the budget by \$.387 million as the economy of the Village and the state was stronger than anticipated when preparing the budget. Building permits were \$.269 higher than the amended budget because the Village outsourced commercial reviews for permits in the Algonquin Commons, a retail strip center, and the developer agreed to pay these fees via higher permit fees.

As a result of expenditure amendments of \$.303 million, actual General Corporate Fund expenditures and transfers were \$.584 million less than the Amended Budget. Public Safety expenditures were \$.207 million less than budget due to several officers being off payroll for long periods with workers compensation injuries. Liability insurance expenditures were \$.154 less than the amended budget. The remaining difference involved several departments and line items.

## Capital Assets

At the end of Fiscal Year 2005, the Village had a combined total of capital assets of \$259.91 million invested in a broad range of capital assets including land, buildings, vehicles, streets, bridges, storm sewers, water mains and sanitary sewer lines. (See Table 4 below). This amount represents a net increase (including additions and deletions) of \$51.8 million.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2005	2004	2005	2004	2005	2004
Land	\$ 97.05	\$ 73.70	\$ 9.10	\$ 7.50	\$ 106.15	\$ 81.20
Construction in Progress	2.64	4.26	6.63	1.24	9.27	5.50
Buildings	14.11	14.31	6.21	6.35	20.32	20.66
Vehicles and Equipment	1.83	1.93	0.55	0.51	2.38	2.44
Improvements other than Building	5.87	4.00	-	-	5.87	4.00
Streets, Storm Sewers and Bridges	69.21	60.68	-	-	69.21	60.68
Water and Sewer	-	-	46.71	33.63	46.71	33.63
<b>Total</b>	<b>\$ 190.71</b>	<b>\$ 158.88</b>	<b>\$ 69.20</b>	<b>\$ 49.23</b>	<b>\$ 259.91</b>	<b>\$ 208.11</b>

The following reconciliation summarizes the changes in Capital Assets which is presented in detail on pages 39-41 of the Notes.

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

Table 5  
Change in Capital Assets  
(in millions)

	Governmental Activities	Business-Type Activities	Total
Beginning Balance	\$ 158.88	\$ 49.20	\$ 208.08
Additions			
Depreciable	13.96	18.56	32.52
Non-Depreciation	23.63	1.65	25.28
Construction in Progress	1.71	6.18	7.89
Retirements			-
Depreciable	(1.26)	(0.08)	(1.34)
Non-Depreciation	(0.29)	-	(0.29)
Construction in Progress	(3.34)	(0.80)	(4.13)
Depreciation	(3.33)	(5.55)	(8.88)
Retirement	0.75	0.04	0.78
Ending Balance	\$ 190.71	\$ 69.20	\$ 259.91

The Governmental Activities net increase of \$31.8 million in net Capital Assets was due to continued development in the Village with increases noted in land (\$23.35 million), improvements other than buildings (\$1.87 million), and streets and storm sewers (\$8.53 million). Decreases were noted in buildings (\$.2 million) as recording of depreciation exceeded additions and vehicles & equipment (\$.1 million) as the Village transferred host community status for the North Central Narcotics Task Force to St. Charles at the end of the year. The Business-type Activities increase of \$20.0 million was a combination of Village projects and developer contributions. Village projects totaled \$7.5 million for a water tower, lift station improvements, well improvements and a water treatment plant and wastewater collection as well as other minor additions. Capital contributions from developers were primarily for land, water mains and sewer lines.

### 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. Two exceptions to this philosophy were the construction of the Village Hall in 1995-1996 and the Public Works Facility in 2002-2003. The Village has established four capital project funds to accumulate monies over time to systematically construct and/or replace major assets: Street Improvement, Parks, Water & Sewer Improvement and Construction, and the Village Construction Fund.

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

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The Village currently has six general obligation bond series and one revenue bond series outstanding. A total of \$9.108 million of general obligation bonds and \$.890 million of revenue bonds were outstanding at April 30, 2005. Four of the bond series are a refunding of bonds issued prior to 1996.

The Village, under its home rule authority, does not have a legal debt limit. The Village expects to issue a new bond early in 2006 to partially finance the continued expansion of the sewer treatment plant.

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

### **Economic Factors**

The financial condition of the Federal and State governments has had an effect on the Village of Algonquin during the past few years and is expected to continue into 2006. While improving somewhat this year, previously reliable state shared revenues (state income tax and use tax) have been materially reduced from 2001 levels on a per-capita basis. The 2003 Special Census increase in population generated additional revenues which offset to some extent the reduced revenues from the per capita distribution. The Village will continue to look to sales tax and property taxes from commercial development until the state economy improves and the state is able to operate a balanced budget without impairing local governments. Continued growth in both of these areas is realistic due to the late 2004 opening of numerous retail stores and the announced plans for additional commercial development in 2006. The Village continues to apply for park grants, and has been very successful in receiving awards. However, grant assistance is extremely competitive. An area of concern is the local labor market. The local unemployment rate, which was 2.1% in 2000, was 4.8% in 2005 (improved from 5.9% in 2004).

All the news is not negative, however. The housing market continues to be strong as interest rates continue to be low vs. historic rates. Home values and permit fee revenues continue to be strong. As indicated above, the Village's growth in sales tax revenues and property tax receipts have been consistent in the past decade.

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

### **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, 2005**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Current			
Cash and cash equivalents	\$ 6,975,578	\$ 4,145,416	\$ 11,120,994
Investments	2,413,372	2,425,000	4,838,372
Receivables			
Property taxes	3,975,083	-	3,975,083
Other taxes	1,484,499	-	1,484,499
Intergovernmental	66,204	-	66,204
Accounts	2,052	590,393	592,445
Accrued interest	22,504	22,048	44,552
Other	276,607	-	276,607
Inventory	104,589	-	104,589
Prepaid items	76,412	25,855	102,267
Restricted assets			
Cash and cash equivalents	-	1,135	1,135
Investments	-	675,000	675,000
Accrued interest receivable	-	264	264
Total current assets	15,396,900	7,885,111	23,282,011
Noncurrent			
Capital assets (net of accumulated depreciation)			
Land	97,045,573	9,106,199	106,151,772
Construction in progress	2,635,783	6,630,782	9,266,565
Water and sewer system	-	46,711,337	46,711,337
Buildings	14,105,845	6,205,099	20,310,944
Improvements other than buildings	5,870,814	-	5,870,814
Vehicles and equipment	1,829,945	547,845	2,377,790
Streets/bridges	69,205,593	-	69,205,593
Total noncurrent assets	190,693,553	69,201,262	259,894,815
Total assets	\$ 206,090,453	\$ 77,086,373	\$ 283,176,826

See Notes to Financial Statements.

**Village of Algonquin, Illinois**

**Statement of Net Assets - Continued**  
**April 30, 2005**

	Governmental Activities	Business-Type Activities	Total
<b>Liabilities</b>			
Current			
Accounts payable	\$ 1,320,685	\$ 1,981,833	\$ 3,302,518
Accrued interest	22,086	9,670	31,756
Unearned revenue - property tax	3,975,083	-	3,975,083
Unearned revenue - other	376,743	-	376,743
Other liabilities	30,554	-	30,554
Compensated absences	454,397	79,969	534,366
Capital lease	60,782	-	60,782
General obligation bonds payable	445,000	155,000	600,000
Revenue bonds payable	-	210,000	210,000
Total current liabilities	6,685,330	2,436,472	9,121,802
Noncurrent			
Pension obligation	303,067	-	303,067
Compensated absences payable	238,081	34,147	272,228
Capital lease	141,037	-	141,037
General obligation bonds payable, net	6,757,882	1,668,042	8,425,924
Revenue bonds payable, net	-	616,975	616,975
Total noncurrent liabilities	7,440,067	2,319,164	9,759,231
Total liabilities	14,125,397	4,755,636	18,881,033
<b>Net Assets</b>			
Invested in capital assets, net of related debt	183,288,852	66,551,245	249,840,097
Restricted for			
Donor programs	347,535	-	347,535
Cemetery purposes	233,067	-	233,067
Grant programs	528,920	-	528,920
Revenue bond covenants	-	676,399	676,399
Unrestricted	7,566,682	5,103,093	12,669,775
Total net assets	\$ 191,965,056	\$ 72,330,737	\$ 264,295,793

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Activities  
Year Ended April 30, 2005

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 5,287,207	\$ 2,041,643	\$ 847,787	\$ -
Public safety	5,681,127	853,227	286,267	-
Public works	7,383,989	86,102	2,351,774	32,715,967
Interest expense	359,523	-	-	-
Total governmental activities	18,711,846	2,980,972	3,485,828	32,715,967
Business-type activities				
Water and sewer	9,660,213	8,026,313	499,280	17,961,942
Total	\$ 28,372,059	\$ 11,007,285	\$ 3,985,108	\$ 50,677,909

General revenues  
Taxes  
    Property  
    Personal property replacement  
Sales  
Income and use  
Utility  
Telecommunications  
Hotel  
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
\$ (2,397,777)	\$ -	\$ (2,397,777)
(4,541,633)	-	(4,541,633)
27,769,854	-	27,769,854
(359,523)	-	(359,523)
20,470,921	-	20,470,921
-	16,827,322	16,827,322
20,470,921	16,827,322	37,298,243
3,889,332	-	3,889,332
42,597	-	42,597
4,105,890	-	4,105,890
2,231,053	-	2,231,053
1,145,222	-	1,145,222
726,285	-	726,285
67,657	-	67,657
383,200	-	383,200
158,115	181,168	339,283
95,263	-	95,263
12,844,614	181,168	13,025,782
33,315,535	17,008,490	50,324,025
158,649,521	55,322,247	213,971,768
\$ 191,965,056	\$ 72,330,737	\$ 264,295,793

**Village of Algonquin, Illinois**

**Balance Sheet - Governmental Funds**  
**April 30, 2005**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 2,781,898	\$ 4,170,278	\$ 6,952,176
Investments	200,000	2,213,372	2,413,372
Receivables			
Property taxes	3,975,083	-	3,975,083
Other taxes	1,484,499	-	1,484,499
Intergovernmental	-	66,204	66,204
Accrued interest	1,285	21,219	22,504
Other	183,393	93,214	276,607
Prepaid items	73,572	-	73,572
Total assets	<u>\$ 8,699,730</u>	<u>\$ 6,564,287</u>	<u>\$ 15,264,017</u>
<b>Liabilities</b>			
Accounts payable	\$ 210,649	\$ 1,041,062	\$ 1,251,711
Deferred revenues - property tax	3,975,083	-	3,975,083
Deferred revenues - other	538,911	259,305	798,216
Due to other funds	24,254	-	24,254
Other liabilities	30,554	-	30,554
Total liabilities	<u>4,779,451</u>	<u>1,300,367</u>	<u>6,079,818</u>
<b>Fund Balances</b>			
Reserved for			
Prepaid items	73,572	-	73,572
Donor program	-	347,535	347,535
Cemetery acquisition and perpetual care	-	233,067	233,067
Grant programs	-	528,920	528,920
Debt service	-	460,691	460,691
Unreserved			
General fund	3,846,707	-	3,846,707
Special revenue funds	-	3,715,606	3,715,606
Capital projects funds	-	(21,899)	(21,899)
Total fund balances	<u>3,920,279</u>	<u>5,263,920</u>	<u>9,184,199</u>
Total liabilities and fund balances	<u>\$ 8,699,730</u>	<u>\$ 6,564,287</u>	<u>\$ 15,264,017</u>

See Notes to Financial Statements.

**Village of Algonquin, Illinois**

**Reconciliation of the Balance Sheet - Governmental Funds  
to the Statement of Net Assets  
April 30, 2005**

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Total fund balances-governmental funds	\$ 9,184,199
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Amounts reported for governmental activities in the  
Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	190,693,553
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Revenues in the Statement of Activities that do not provide current financial resources are deferred in the funds.	421,472
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Internal service fund is used by management to charge vehicle maintenance costs to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the Statement of Net Assets.	88,164
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Some liabilities reported in the Statement of Net Assets do not  
require the use of current financial resources and therefore are  
not reported as liabilities in governmental funds. These liabilities  
consist of:

Accrued interest	(22,086)
Compensated absences	(692,478)
Pension benefit obligation	(303,067)
Capital lease	(201,819)
General obligation bonds payable	(7,202,882)

Net assets of governmental activities	<u>\$ 191,965,056</u>
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See Notes to Financial Statements.

**Village of Algonquin, Illinois**

**Statement of Revenues, Expenditures and Changes in Fund Balances –  
Governmental Funds  
Year Ended April 30, 2005**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Charges for services	\$ 458,437	\$ 98,890	\$ 557,327
Licenses and permits	1,564,632	-	1,564,632
Intergovernmental, grants and contributions	255,363	3,230,465	3,485,828
Fines and forfeitures	560,443	298,570	859,013
Property taxes	3,889,332	-	3,889,332
Other taxes	6,870,036	1,743,067	8,613,103
Interest	44,234	113,881	158,115
Miscellaneous	108,394	27,021	135,415
Total revenues	13,750,871	5,511,894	19,262,765
Expenditures			
Current			
General government	3,001,479	1,196,581	4,198,060
Public safety	4,924,595	554,965	5,479,560
Public works	3,182,700	1,296,463	4,479,163
Debt service			
Principal	143,181	320,000	463,181
Interest and fiscal charges	26,355	235,533	261,888
Capital outlay	301,474	2,932,871	3,234,345
Total expenditures	11,579,784	6,536,413	18,116,197
Excess (deficiency) of revenues over expenditures	2,171,087	(1,024,519)	1,146,568
Other financing sources (uses)			
Proceeds from capital lease	250,000	-	250,000
Proceeds from sales of capital assets	1,748	-	1,748
Transfers in	4,080	558,829	562,909
Transfers out	(558,829)	(4,080)	(562,909)
Total other financing sources (uses)	(303,001)	554,749	251,748
Net change in fund balances	1,868,086	(469,770)	1,398,316
Fund balances - beginning	2,052,193	5,733,690	7,785,883
Fund balances - ending	\$ 3,920,279	\$ 5,263,920	\$ 9,184,199

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, 2005

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Net change in fund balances-total governmental funds	\$ 1,398,316
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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 capital outlays exceeded depreciation in the current period. (\$3,234,345 current additions less \$3,338,943 depreciation.)

	(104,598)
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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	88,801
Contributions of capital assets	32,715,967

The issuance of long-term debt (capital lease) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction however, has any effect on net assets.

Capital lease proceeds	(250,000)
Repayment of principal	463,181

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 pension obligation	(63,951)
Increase in compensated absences	(24,798)
Loss on sales of capital assets	(809,748)
Accrued interest	2,705
Interest accreted on capital appreciation debt	(100,340)

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Change in net assets of governmental activities	\$ 33,315,535
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See Notes to Financial Statements.



Village of Algonquin, Illinois

Statement of Net Assets - Proprietary Funds

April 30, 2005

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service Fund
<b>Assets</b>		
Current		
Cash and cash equivalents	\$ 4,145,416	\$ 23,402
Investments	2,425,000	-
Receivables		
Accounts	590,393	2,053
Interest	22,048	-
Inventory	-	104,589
Due from other funds	-	24,254
Prepaid items	25,855	2,840
Restricted assets		
Cash and cash equivalents	1,135	-
Investments	675,000	-
Accrued interest	264	-
Total current assets	<u>7,885,111</u>	<u>157,138</u>
Capital assets (net of accumulated depreciation)		
Land	9,106,199	-
Construction in progress	6,630,782	-
Water and sewer system	46,711,337	-
Buildings	6,205,099	-
Machinery and equipment	547,845	-
Total noncurrent assets	<u>69,201,262</u>	<u>-</u>
Total assets	<u>\$ 77,086,373</u>	<u>\$ 157,138</u>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Net Assets - Proprietary Funds - Continued  
April 30, 2005

	Business-Type Activities <u>Waterworks and Sewerage Fund</u>	Governmental Activities <u>Internal Service Fund</u>
<b>Liabilities</b>		
Current		
Accounts payable	\$ 1,981,833	\$ 68,974
Accrued interest	9,670	-
Compensated absences	79,969	-
General obligation bonds payable	155,000	-
Revenue bonds payable	210,000	-
Total current liabilities	<u>2,436,472</u>	<u>68,974</u>
Noncurrent		
Compensated absences payable	34,147	-
General obligation bonds payable	1,668,042	-
Revenue bonds payable	616,975	-
Total noncurrent liabilities	<u>2,319,164</u>	<u>-</u>
Total liabilities	<u>4,755,636</u>	<u>68,974</u>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	66,551,245	-
Restricted - revenue bond covenants	676,399	-
Unrestricted	<u>5,103,093</u>	<u>88,164</u>
Total net assets	<u>\$ 72,330,737</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, 2005

	Business-Type Activities Waterworks and Sewerage Fund	Governmental Activities Internal Service Fund
Operating revenues		
Charges for services		
Water and sewer revenue	\$ 3,702,996	\$ -
Meter sales	234,550	-
Connection fees	3,878,266	-
Administration fee	64,668	-
Vehicle maintenance billings	-	877,833
Miscellaneous	145,833	-
Total operating revenues	8,026,313	877,833
Operating expenses excluding depreciation	3,908,619	877,833
Operating income before depreciation and amortization	4,117,694	-
Depreciation and amortization	5,576,809	-
Operating loss	(1,459,115)	-
Nonoperating revenues (expenses)		
Contributions - developers	499,280	-
Interest income	181,168	-
Loss on sale of assets	(46,364)	-
Interest expense and fiscal agent fees	(128,421)	-
Total nonoperating revenues (expenses)	505,663	-
Loss before capital contributions	(953,452)	-
Capital contributions	17,961,942	-
Change in net assets	17,008,490	-
Net assets - beginning	55,322,247	88,164
Net assets - ending	\$ 72,330,737	\$ 88,164

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Cash Flows – Proprietary Funds  
Year Ended April 30, 2005

	Business-Type Activities Waterworks and Sewerage Fund	Governmental Activities Internal Service Fund
Cash flows from operating activities		
Cash received from customers	\$ 7,895,454	\$ -
Cash paid to suppliers	(1,356,201)	(625,601)
Cash paid to employees	(1,682,395)	(267,427)
Cash received for interfund services provided	-	853,162
Net cash provided by (used for) operating activities	4,856,858	(39,866)
Cash flows from noncapital financing activities		
Developer contributions	499,280	-
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(7,636,729)	-
Interest paid on bonds	(129,508)	-
Principal paid on general obligation bond maturities	(145,000)	-
Principal paid on revenue bond maturities	(205,000)	-
Net cash flows from capital and related financing activities	(8,116,237)	-
Cash flows from investing activities		
Purchase of investments (certificates of deposit)	7,832,000	-
Sale of investments (certificates of deposit)	(6,297,000)	-
Interest on investments	191,265	-
Net cash flows from investing activities	1,726,265	-
Net increase (decrease) in cash and equivalents	(1,033,834)	(39,866)
Cash and equivalents - beginning	5,180,385	63,268
Cash and equivalents - ending	\$ 4,146,551	\$ 23,402
Reported as:		
Cash and cash equivalents	\$ 4,145,416	\$ 23,402
Restricted cash and cash equivalents	1,135	-
	\$ 4,146,551	\$ 23,402

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Cash Flows – Proprietary Funds - Continued  
Year Ended April 30, 2005

	Business-Type Activities <u>Waterworks and Sewerage Fund</u>	Governmental Activities <u>Internal Service Fund</u>
Reconciliation of operating loss to net cash provided by (used for) operating activities		
Operating loss	\$ (1,459,115)	\$ -
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities		
Depreciation	5,549,345	-
Amortization	27,464	-
Changes in assets and liabilities		
Accounts receivable	(130,859)	(417)
Other receivables	-	(24,254)
Prepaid items	(2,720)	80
Inventory	-	(16,562)
Accounts payable	879,443	1,287
Compensated absences	(6,700)	-
Total adjustments	<u>6,315,973</u>	<u>(39,866)</u>
Net cash provided by (used for) operating activities	<u>\$ 4,856,858</u>	<u>\$ (39,866)</u>
Summary of noncash capital financing activities:		
Capital assets contributed from developers	<u>\$ 17,961,942</u>	

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Fiduciary Net Assets

April 30, 2005

	Pension Trust Fund	Agency Fund
<hr/>		
<b>Assets</b>		
Cash and cash equivalents	\$ 24,341	\$ 666,993
Investments		
U.S. government securities	2,842,324	-
U.S. government agencies	330,813	-
Mutual funds	2,338,110	-
Money market funds	36,091	-
Insurance contracts	138,684	-
Interest receivable	34,063	-
	<hr/>	
Total assets	5,744,426	666,993
<b>Liabilities</b>		
Deposits	-	666,993
	<hr/>	
<b>Net Assets</b>		
Held in trust for pension benefits	\$ 5,744,426	\$ -
	<hr/> <hr/>	

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Changes in Fiduciary Net Assets - Pension Trust Funds  
Year Ended April 30, 2005

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Additions	
Contributions	
Employer	\$ 354,643
Employee	241,962
	<u>596,605</u>
Investment income	
Net appreciation in fair value of investments	123,575
Interest income	166,516
Less investment expenses	(28,277)
	<u>261,814</u>
Total additions	<u>858,419</u>
Deductions	
Administration	6,049
Pension benefits and refunds	65,627
Total deductions	<u>71,676</u>
Change in net assets	786,743
Net assets - beginning	<u>4,957,683</u>
Net assets - ending	<u><u>\$ 5,744,426</u></u>

See Notes to Financial Statements.

## Village of Algonquin, Illinois

### Notes to Financial Statements

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

##### (a) Reporting Entity

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

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

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

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

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

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

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

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

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



## Village of Algonquin, Illinois

### Notes to Financial Statements

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

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

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

The Village administers the following major governmental fund:

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

The Village administers the following major proprietary fund:

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

The Village administers one internal service fund:

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

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

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

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

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

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

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

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

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

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

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

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

**(d) Cash and Cash Equivalents**

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

**(e) Investments**

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

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

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

**(f) Property Taxes**

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

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

**(g) Inventory and Prepaid Items**

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

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

**(h) Interfund Receivables/Payables**

The Village has the following types of transactions between funds:

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

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

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

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

## Village of Algonquin, Illinois

### Notes to Financial Statements

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

##### (i) Capital Assets

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

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

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

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

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

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

##### (j) Compensated Absences

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

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

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

**(k) Deferred Revenue**

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

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

**(l) Long-term Obligations**

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

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

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

**(m) Fund Equity**

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

**(n) Accounting Estimates**

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

## 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 for all funds except the North Central Narcotics Task Force Fund (a special revenue fund).

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.

##### **Excess of Actual Expenditures Over Budget in Individual Funds**

The Village Expansion Fund has an excess of actual expenditures over budget of \$34,992.

##### **Deficit Fund Balances in Individual Funds**

The Village Expansion Fund had a deficit fund balance of \$21,899 at April 30, 2005.

#### **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.

At year-end, the Village's carrying amount of deposits was \$8,543,596 and the bank balance was \$8,651,227. \$8,651,227 was fully covered by Federal Depository Insurance or by collateral held by the Village's agent in the Village's name. Cash on hand totaled \$1,275 at April 30, 2005.

## Village of Algonquin, Illinois

### Notes to Financial Statements

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

Investments are categorized into these three categories of credit risk:

Category 1 - Insured or registered, or securities held by the Village or its agent in the Village's name.

Category 2 - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Village's name.

Category 3 - Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Village's name.

At year-end, the Village's investment balances were as follows:

	Category			Total
	1	2	3	
U.S. Government and agency securities	\$ 3,173,137	\$ -	\$ -	\$ 3,173,137
Investments not subject to categorization:				
Mutual Funds				2,338,110
Money Market Funds				36,091
Insurance Contracts				138,684
Illinois Metropolitan Investment Fund				327,327
Illinois Funds				8,454,637
Total investments				<u>\$ 14,467,986</u>

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 (I.M.E.T.) is a non-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. I.M.E.T. is not registered with the SEC as an investment company. Investments in I.M.E.T. are valued at I.M.E.T.'s share price, which is the price the investment could be sold for.

Village of Algonquin, Illinois

Notes to Financial Statements

Note 4. Capital Assets

(a) Governmental Activities

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

	Balance May 1	Additions	Deletions	Balance April 30
Government activities:				
Capital assets not being depreciated:				
Land	\$ 73,708,055	\$ 23,627,598	\$ 290,080	\$ 97,045,573
Construction in progress	4,265,981	1,705,313	3,335,511	2,635,783
Total capital assets not being depreciated	77,974,036	25,332,911	3,625,591	99,681,356
Capital assets being depreciated:				
Buildings	15,874,634	112,468	-	15,987,102
Improvements other than buildings	5,208,693	2,244,546	-	7,453,239
Vehicles and equipment	5,089,562	458,071	728,612	4,819,021
Streets/storm sewers/bridges	78,681,623	11,137,827	536,159	89,283,291
	104,854,512	13,952,912	1,264,771	117,542,653
Less accumulated depreciation for:				
Buildings	1,562,036	319,221	-	1,881,257
Improvements other than buildings	1,209,466	372,959	-	1,582,425
Vehicles and equipment	3,159,499	448,284	618,707	2,989,076
Streets/storm sewers/bridges	18,005,617	2,198,479	126,398	20,077,698
	23,936,618	3,338,943	745,105	26,530,456
Total capital assets being depreciated, net	80,917,894	10,613,969	519,666	91,012,197
Governmental activities capital assets, net	\$ 158,891,930	\$ 35,946,880	\$ 4,145,257	\$ 190,693,553



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	\$ 7,459,074	\$ 1,647,125	\$ -	\$ 9,106,199
Construction in progress	1,238,900	6,187,969	796,087	6,630,782
Total capital assets not being depreciated	8,697,974	7,835,094	796,087	15,736,981
Capital assets being depreciated:				
Buildings	7,692,306	-	-	7,692,306
Machinery and equipment	1,077,748	158,700	20,000	1,216,448
Water and sewer system	48,622,360	18,400,964	63,892	66,959,432
	57,392,414	18,559,664	83,892	75,868,186
Less accumulated depreciation for:				
Buildings	1,333,361	153,846	-	1,487,207
Machinery and equipment	568,692	119,911	20,000	668,603
Water and sewer system	14,990,035	5,275,588	17,528	20,248,095
	16,892,088	5,549,345	37,528	22,403,905
Total capital assets being depreciated, net	40,500,326	13,010,319	46,364	53,464,281
Business-type activities capital assets, net	\$ 49,198,300	\$ 20,845,413	\$ 842,451	\$ 69,201,262

Village of Algonquin, Illinois

Notes to Financial Statements

Note 4. Capital Assets (Continued)

(c) Depreciation Charged to Functions/Activities

Depreciation was charged to functions/activities as follows:

	Governmental Activities	Business-Type Activities
General government	\$ 316,294	\$ -
Public safety	136,306	-
Public works	2,886,343	-
Water and sewer	-	5,549,345
	<u>\$ 3,338,943</u>	<u>\$ 5,549,345</u>

Note 5. Long-Term Obligations

The following is a summary of long-term obligation activity associated with governmental activities for the year ended April 30, 2005:

	Balance May 1, 2004	Additions	Retirements	Balance April 30, 2005	Due Within One Year
Compensated Absences Payable	\$ 667,680	\$ 674,699	\$ 649,901	\$ 692,478	\$ 454,397
Pension Obligation*	239,116	63,951	-	303,067	-
General Obligation Bonds Payable	7,517,542	100,340	415,000	7,202,882	445,000
Capital Lease	-	250,000	48,181	201,819	60,782
	<u>\$ 8,424,338</u>	<u>\$ 1,088,990</u>	<u>\$ 1,113,082</u>	<u>\$ 8,400,246</u>	<u>\$ 960,179</u>

\* The General Fund will be used to liquidate the pension obligation

The following is a summary of long-term obligation activity associated with business-type activities for the year ended April 30, 2005:

	May 1, 2004	Additions	Retirements	April 30, 2005	Within One Year
Compensated Absences Payable	\$ 120,816	\$ 129,875	\$ 136,575	\$ 114,116	\$ 79,969
General Obligations Payable *	2,050,000	-	145,000	1,905,000	155,000
Revenue Bonds Payable *	1,095,000	-	205,000	890,000	210,000
	<u>\$ 3,265,816</u>	<u>\$ 129,875</u>	<u>\$ 486,575</u>	<u>\$ 2,909,116</u>	<u>\$ 444,969</u>

\* Amounts reported in the statement of net assets for the business-type activities, are net of unamortized discounts of \$81,958 and \$63,025, for the general obligation and revenue bonds, respectively.

# Village of Algonquin, Illinois

## Notes to Financial Statements

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

The following is a summary of debt transactions of the Village for the year ended April 30, 2005:

*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.

Description	Fund Debt Retired By	Balances May 1	Additions	Retirements	Balances April 30
<b>General Obligation Bonds - Governmental Activities</b>					
General Obligation Bonds, Series 1995 \$3,600,000 Business District - Development bonds due in annual installments of \$45,000 to \$395,000; interest at 5.5% to 6.25% through April 1, 2005	Debt Service	\$ 295,000	\$ -	\$ 295,000	\$ -
General Obligation Bonds, Series 1998 \$765,000 Refunding Bonds due in annual installments of \$50,000 to \$120,000; interest at 3.5% to 3.8%, through December 30, 2007	General	420,000	-	95,000	325,000
General Obligation Refunding Series 2001B \$1,910,000 Alternate Revenue Source Bonds due in annual installments of \$25,000 to \$390,000; interest at 3.0% to 4.75%, through April 1, 2010	Debt Service	1,815,000	-	25,000	1,790,000

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 -</b>					
<b>Governmental Activities (Continued)</b>					
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	Debt				
April 1, 2015	Service	\$ 3,090,000	\$ -	\$ -	\$ 3,090,000
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	Debt				
interest at 5.1% to 5.4%	Service	1,897,542	100,340	*	1,997,882
Total General Obligation Bonds - Governmental Activities		\$ 7,517,542	\$ 100,340	\$ 415,000	\$ 7,202,882
* Principal accretion on capital appreciation bonds					
<b>Capital Lease</b>					
<b>Governmental Activities</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	General				
July 1, 2008	Fund	\$ -	\$ 250,000	\$ 48,181	\$ 201,819
<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	Waterworks				
at 3.0% to 4.5%, through	and				
April 1, 2012	Sewerage	\$ 2,050,000	\$ -	\$ 145,000	\$ 1,905,000
<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	Waterworks				
at 2.8% to 3.8%, through	and				
April 1, 2009	Sewerage	1,095,000	-	205,000	890,000
Total Bonds - Business-type Activities		\$ 3,145,000	\$ -	\$ 350,000	\$ 2,795,000

# Village of Algonquin, Illinois

## Notes to Financial Statements

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

As of April 30, 2005, 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
2006	\$ 445,000	\$ 228,642	\$ 673,642	\$ 155,000	\$ 84,482	\$ 239,482
2007	480,000	208,554	688,554	170,000	77,120	247,120
2008	530,000	188,214	718,214	170,000	69,682	239,682
2009	440,000	165,988	605,988	180,000	62,246	242,246
2010	465,000	146,924	611,924	460,000	54,370	514,370
2011 - 2015	2,845,000	401,162	3,246,162	770,000	50,672	820,672
2016 - 2020	1,759,140	1,665,860	3,425,000	-	-	-
2021	238,742	321,258	560,000	-	-	-
Total	\$ 7,202,882	\$ 3,326,602	\$ 10,529,484	\$ 1,905,000	\$ 398,572	\$ 2,303,572

As of April 30, 2005, debt service requirements to maturity on the outstanding capital lease, including interest, are as follows:

Year Ending April 30	Governmental Activities		
	Principal	Interest	Total
2006	\$ 60,782	\$ 9,526	\$ 70,308
2007	64,190	6,118	70,308
2008	67,788	2,520	70,308
2009	9,059	2,659	11,718
Total	\$ 201,819	\$ 20,823	\$ 222,642

As of April 30, 2005, debt service requirements to maturity on the outstanding revenue bond debt, including interest, are as follows:

Year Ending April 30	Business-Type Activities		
	Principal	Interest	Total
2006	\$ 210,000	\$ 31,560	\$ 241,560
2007	220,000	24,946	244,946
2008	235,000	17,246	252,246
2009	225,000	8,550	233,550
Total	\$ 890,000	\$ 82,302	\$ 972,302

## Village of Algonquin, Illinois

### Notes to Financial Statements

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

##### Refunding Transactions

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

Issue	Balance Outstanding
Algonquin/Randall Corridor Business Development Obligations, Series 1995	<u>\$ 1,455,000</u>

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

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

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

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

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

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

Net assets in the amount of \$676,399 are restricted as required by revenue bond ordinances at April 30, 2005.

# Village of Algonquin, Illinois

## Notes to Financial Statements

### Note 7. Interfund Transfers

As of April 30, 2005, the General fund reported a due to the Internal Service fund of \$24,254 for operating costs.

Individual interfund transfers for the Village at April 30, 2005 are shown as follows:

Fund	Detail	Transfers From Other Funds
Nonmajor Governmental Funds		
General Fund	Administration fees	\$ 4,080
General Fund		
Nonmajor Governmental Funds	Debt service	558,829
Total		<u>\$ 562,909</u>
Fund		Transfers to Other Funds
General Fund		
Nonmajor Governmental Funds	Debt service	\$ 558,829
Nonmajor Governmental Funds		
General Fund	Administration fees	4,080
Total		<u>\$ 562,909</u>

### Note 8. Other Information

#### (a) Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions. The Village participates in the McHenry County Municipal Risk Management Association (MCMRMA). The Village pays annual premiums to MCMRMA for its workers' compensation, general liability, public officials 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.

## Village of Algonquin, Illinois

### Notes to Financial Statements

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

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

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) Contingent Liabilities - Litigation

The Village is a defendant in a class action lawsuit, along with other Illinois municipalities that imposed a municipal telecommunications infrastructure maintenance fee (IMF) at any time from January 1, 1998 through July 1, 2001 on Primeco or US Cellular. The Illinois Supreme court held the IMF to be unconstitutional. Although the outcome of the lawsuit is not presently determinable, the settlement amount may be material to the Village's financial statements.

##### (c) Commitments

As of April 30, 2005, the Village has entered into various contracts for the construction, renovation or purchase of various facilities for approximately \$23.2 million. Approximately \$20 million has been expended to date, and approximately \$3.2 million remains unexpended. No future financing is required.

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

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

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

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

#### Funding Policy

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by state statute. The employer is required to contribute at an actuarially determined rate. The employer rate for calendar year 2004 was 8.52 percent of covered payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2004, was 10 years.



## Village of Algonquin, Illinois

### Notes to Financial Statements

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

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

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

For December 31, 2004, the employer's annual pension cost of \$400,952 was equal to the employer's required and actual contributions. The required contribution was determined as part of the December 31, 2002, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging for 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period.

##### (b) Police Pension

##### Plan Description

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

At April 30, 2005, the Police Pension Plan membership consisted of:

Retirees, disabled participants and beneficiaries of	
deceased retirees currently receiving benefits	3
Terminated plan members entitled to but not yet	
receiving benefits	-
Current employees:	
Vested	15
Nonvested	27
	<hr/>
<b>Total</b>	<b>45</b>

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension is increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

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

## Village of Algonquin, Illinois

### Notes to Financial Statements

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

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

###### Funding Policy

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. By the year 2032, the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is fully funded. Actuarial valuations are performed annually.

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

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

For fiscal year 2005, the Village's annual pension cost was \$418,594. The Village's actual contribution was \$354,643. For a description of the significant actuarial assumptions, see "Significant Actuarial Assumptions."

The net pension obligation at April 30, 2005, was \$303,067. It was comprised of the following:

###### Net pension obligation:

Annual required contribution	\$ 421,332
Interest on net pension obligation	16,738
Adjustment to annual required contribution	<u>(19,476)</u>
Annual pension cost	418,594
Contributions made	<u>354,643</u>
Increase in net pension obligation	63,951
Net pension obligation at beginning of year	<u>239,116</u>
Net pension obligation at end of year	<u><u>\$ 303,067</u></u>

The net pension obligation of \$303,067 is recorded as a liability in the government-wide Statement of Net Assets.

## Village of Algonquin, Illinois

### Notes to Financial Statements

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

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

##### Reserves and Concentration of Investments

There are no assets legally reserved for purposes other than the payment of plan member benefits. There are no long-term contracts for contributions. The plan held investments (other than those issued or guaranteed by the U.S. government) in the following organizations that represent 5% or more of net assets available for benefits:

Mutual Fund – Europacific Growth Fund	\$352,655
– Growth Fund America	896,081
– Washington Mutual	905,971

##### 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, 2005, was determined as part of the April 30, 2005, 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 3.5%.

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, 2005 was 29 years.

Village of Algonquin, Illinois

Notes to Financial Statements

Note 9. Employee Retirement Systems and Plans (Continued)

(c) Trend Information

	For Fiscal Year	Illinois Municipal Retirement	Police Pension
Annual Pension Cost	2003	\$ 302,479	\$ 341,031
	2004	322,998	351,885
	2005	400,952	418,594
Percent Contributed	2003	100.00 %	75.50 %
	2004	100.00	97.39
	2005	100.00	84.72
Net Pension Obligation	2003	\$ -	\$ 229,931
	2004	-	239,116
	2005	-	303,067

Note 10. New Governmental Accounting Standards

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

Statement No. 40, *Deposit and Investment Risk Disclosures, an amendment to certain provisions of GASB Statement No. 3*, requires certain disclosures of investments that have fair values that are sensitive to changes in interest rates. The Village is required to implement this Statement for the year ending April 30, 2006.

Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, establishes accounting and financial reporting standards for impairment of capital assets. This Statement also clarifies and establishes accounting requirements for insurance recoveries. The Village is required to implement this Statement for the year ending April 30, 2006.

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

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

## Village of Algonquin, Illinois

### Notes to Financial Statements

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

Statement No. 46, *Net Assets Restricted by Legislation, an Amendment of GASB Statement No. 34*, clarifies the definition of "legally enforceable enabling legislation" as established in GASB Statement No. 34, and requires the government to separately disclose the portion of net assets that is restricted by enabling legislation. This Statement will become effective for year ending April 30, 2007.

Statement No. 47, *Accounting for Termination Benefits*, establishes accounting standards for voluntary and involuntary termination benefits, including termination benefits provided through a defined benefit other post employment benefit plan (OPEB). For those termination benefits provided through a defined benefit OPEB plan, this Statement must be implemented concurrently with Statement No. 45. For all other termination benefits, this Statement will become effective for the year ending April 30, 2007.

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

REQUIRED SUPPLEMENTARY INFORMATION  
(UNAUDITED)

**Village of Algonquin, Illinois**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance –  
Budget and Actual – General Fund  
Year Ended April 30, 2005**

	Original Budget	Final Budget	Actual	Over (Under)
Revenues				
Charges for services	\$ 500,200	\$ 500,200	\$ 458,437	\$ (41,763)
Licenses and permits	980,000	1,280,000	1,564,632	284,632
Intergovernmental, grants and contributions	172,500	175,500	255,363	79,863
Fines, fees and forfeitures	581,800	581,800	560,443	(21,357)
Property taxes	3,398,320	3,398,320	3,889,332	491,012
Other taxes	6,463,000	6,463,000	6,870,036	407,036
Interest	26,500	26,500	44,234	17,734
Miscellaneous	1,000	1,000	108,394	107,394
Total revenues	12,123,320	12,426,320	13,750,871	1,324,551
Expenditures				
Current				
General government	3,012,930	3,285,936	3,001,479	284,457
Public safety	5,128,102	5,131,102	4,924,595	206,507
Public works	3,176,915	3,183,909	3,182,700	1,209
Debt service				
Bond principal	95,000	95,000	95,000	-
Capital lease principal	65,208	65,208	48,181	17,027
Interest and fiscal charges	16,000	16,000	26,355	(10,355)
Capital outlay	308,835	328,835	301,474	27,361
Total expenditures	11,802,990	12,105,990	11,579,784	526,206
Excess of revenues over expenditures	320,330	320,330	2,171,087	1,850,757
Other financing sources (uses)				
Proceed from capital leases	263,360	263,360	250,000	(13,360)
Proceeds from sales of capital assets	2,500	2,500	1,748	(752)
Transfers in	3,000	3,000	4,080	1,080
Transfers out	(611,890)	(611,890)	(558,829)	53,061
Total other financing sources (uses)	(343,030)	(343,030)	(303,001)	40,029
Net change in fund balance	\$ (22,700)	\$ (22,700)	1,868,086	\$ 1,890,786
Fund balance - beginning			2,052,193	
Fund balance - ending			\$ 3,920,279	

See Note to Required Supplementary Information.

Village of Algonquin, Illinois

Required Supplementary Information  
Analysis of Funding Progress

April 30, 2005

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)
12/31/2004	\$ 5,589,776	\$ 6,150,286	\$ 560,510	90.89 %	\$ 4,706,010	11.91 %
12/31/2003	4,904,607	5,223,991	319,384	93.89	4,272,456	7.48
12/31/2002	4,339,962	4,300,558	(39,404)	100.92	4,011,654	(0.98)
12/31/2001	3,977,361	3,648,993	(328,368)	109.00	3,485,243	(9.42)
12/31/2000	3,281,840	2,978,482	(303,358)	110.18	2,976,737	(10.19)
12/31/1999	2,685,380	2,441,616	(243,764)	109.98	2,536,898	(9.61)

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)
05/01/2005	\$ 5,710,363	\$ 9,285,875	\$ 3,575,512	61.50 %	\$ 2,528,254	141.42 %
05/01/2004	4,957,683	7,917,127	2,959,444	62.62	2,314,625	127.86
05/01/2003	4,151,776	6,450,349	2,298,573	64.37	2,232,241	102.97
05/01/2002	3,591,219	5,984,051	2,392,832	60.01	2,072,555	115.45
05/01/2001	3,118,393	4,658,471	1,540,078	66.94	1,728,289	89.11
05/01/2000	2,790,176	4,038,511	1,248,335	69.09	1,634,057	76.39



Village of Algonquin, Illinois

Required Supplementary Information  
Employer Contributions

April 30, 2005

Illinois Municipal Retirement Fund

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed	
12/31/2004	\$ 400,952	100	%
12/31/2003	322,998	100	
12/31/2002	302,479	100	
12/31/2001	252,332	100	
12/31/2000	227,125	100	
12/31/1999	203,205	100	

Police Pension Fund

Fiscal Year End Date	Annual Required Contribution	Percentage Contributed	
04/30/2005	\$ 421,332	84	%
04/30/2004	354,319	97	
04/30/2003	342,466	75	
04/30/2002	250,040	94	
04/30/2001	235,875	79	

Information presented for as many years as available.

Village of Algonquin, Illinois

Note to Required Supplementary Information

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**Note 1. Budgetary Basis of Accounting**

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

COMBINING, INDIVIDUAL FUND, AND CAPITAL ASSET  
FINANCIAL STATEMENTS AND SCHEDULES

## **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, 2005

	Original Budget	Final Budget	Actual
Charges for services			
Building and zoning	\$ 75,000	\$ 75,000	\$ 56,909
Platting fees	160,000	160,000	200,294
Intergovernmental agreement - police	80,000	80,000	31,853
Police training reimbursement	11,500	11,500	-
Alarm lines	17,000	17,000	25,061
Snow plowing fees	3,000	3,000	2,520
Park usage fees	200	200	-
Recreation programs	87,500	87,500	54,138
Site development fee	10,000	10,000	14,550
Rental income	40,000	40,000	56,346
Historical commission	1,000	1,000	2,268
Senior bus	5,000	5,000	3,054
Subdivision signs	10,000	10,000	11,444
Total charges for services	500,200	500,200	458,437
Licenses and permits			
Liquor licenses	70,000	70,000	82,725
Building permits	895,000	1,195,000	1,464,213
Miscellaneous licenses	15,000	15,000	17,694
Total licenses and permits	980,000	1,280,000	1,564,632
Intergovernmental, grants and contributions			
Grants - operating, public safety	72,600	72,600	82,362
Contributions	99,900	102,900	173,001
Total intergovernmental, grants and contributions	172,500	175,500	255,363
Fines, fees and forfeitures			
County court and drug fines	516,000	516,000	470,837
County prosecution fines	2,000	2,000	2,466
Police fines	20,000	20,000	36,619
Restitution - Court Cases	300	300	548
Police accident reports	5,000	5,000	5,273
Reports, maps and ordinances	5,000	5,000	2,672
Building permit fines	30,000	30,000	39,276

(Continued)

Village of Algonquin, Illinois

General Fund

Schedule of Revenues - Budget and Actual (Continued)  
Year Ended April 30, 2005

	Original Budget	Final Budget	Actual
Fines, fees and forfeitures (Continued)			
Maintenance fee	\$ 3,000	\$ 3,000	\$ 2,410
Administrative fees	500	500	342
Total fines, fees and forfeitures	581,800	581,800	560,443
Property taxes			
General	1,325,020	1,325,020	1,644,054
Insurance	550,000	550,000	550,257
Road and bridge	275,000	275,000	277,586
Social security	206,000	206,000	250,009
IMRF	125,000	125,000	145,130
School crossing	1,000	1,000	2,986
Police protection	450,000	450,000	550,257
ESDA	1,000	1,000	2,986
GOBI	111,000	111,000	111,424
Police pension	354,300	354,300	354,643
Total property taxes	3,398,320	3,398,320	3,889,332
Other taxes			
Personal property replacement tax	28,000	28,000	42,597
Cable TV fees	230,000	230,000	257,723
Telecommunication tax	220,000	220,000	196,097
Natural gas franchise fees	35,000	35,000	36,676
State income tax	2,050,000	2,050,000	2,231,053
Sales tax	3,900,000	3,900,000	4,105,890
Total other taxes	6,463,000	6,463,000	6,870,036
Interest	26,500	26,500	44,234
Miscellaneous			
Other	1,000	1,000	108,394
Total revenues	\$ 12,123,320	\$ 12,426,320	\$ 13,750,871

Village of Algonquin, Illinois

General Fund

Schedule of Expenditures - Budget and Actual  
Year Ended April 30, 2005

	Original Budget	Final Budget	Actual
Current			
General government			
Administration			
Personnel	\$ 1,039,700	\$ 1,039,700	\$ 966,978
Commodities	118,090	118,090	74,393
Contractual services	827,130	827,130	676,434
Other charges	115,560	115,560	90,127
Total administration	2,100,480	2,100,480	1,807,932
Community development			
Personnel	802,925	802,925	801,941
Commodities	18,500	18,500	19,513
Contractual services	77,725	350,731	360,332
Other charges	13,300	13,300	11,761
Total community development	912,450	1,185,456	1,193,547
Total general government	3,012,930	3,285,936	3,001,479
Public safety			
Police department			
Personnel	4,101,175	4,101,175	3,955,848
Commodities	109,290	112,290	125,757
Contractual services	490,987	490,987	421,658
Other charges	426,650	426,650	421,332
Total public safety	5,128,102	5,131,102	4,924,595
Public works			
Public works administration			
Personnel	532,950	532,950	495,120
Commodities	49,250	49,250	54,734
Contractual services	26,570	26,570	52,066
Other charges	5,725	5,725	7,223
Total public works administration	614,495	614,495	609,143

(Continued)

Village of Algonquin, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)  
Year Ended April 30, 2005

	Original Budget	Final Budget	Actual
Public works (Continued)			
Streets department			
Personnel	\$ 854,450	\$ 854,450	\$ 797,339
Commodities	95,250	100,874	123,386
Contractual services	562,600	562,600	623,413
Other charges	8,820	8,820	9,349
Total streets	<u>1,521,120</u>	<u>1,526,744</u>	<u>1,553,487</u>
Parks			
Personnel	818,225	818,225	751,780
Commodities	50,430	51,800	59,388
Contractual services	162,175	162,175	196,767
Other charges	10,470	10,470	12,135
Total parks	<u>1,041,300</u>	<u>1,042,670</u>	<u>1,020,070</u>
Total public works	<u>3,176,915</u>	<u>3,183,909</u>	<u>3,182,700</u>
Debt service			
Bond principal	95,000	95,000	95,000
Capital lease principal	65,208	65,208	48,181
Interest and fiscal charges	16,000	16,000	26,355
Total debt service	<u>176,208</u>	<u>176,208</u>	<u>169,536</u>
Capital outlay			
General government	10,980	10,980	-
Public safety	155,830	155,830	155,717
Public works	142,025	162,025	145,757
Total capital outlay	<u>308,835</u>	<u>328,835</u>	<u>301,474</u>
Total expenditures	<u>\$ 11,802,990</u>	<u>\$ 12,105,990</u>	<u>\$ 11,579,784</u>



**NONMAJOR GOVERNMENTAL FUNDS – COMBINING STATEMENTS**

Village of Algonquin, Illinois

Nonmajor Governmental Funds

Combining Balance Sheet

April 30, 2005

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 4,091,552	\$ 31,989	\$ 46,737	\$ 4,170,278
Investments	1,788,372	425,000	-	2,213,372
Receivables				
Intergovernmental	66,204	-	-	66,204
Accrued interest	17,517	3,702	-	21,219
Other	93,214	-	-	93,214
Total assets	<u>\$ 6,056,859</u>	<u>\$ 460,691</u>	<u>\$ 46,737</u>	<u>\$ 6,564,287</u>
<b>Liabilities</b>				
Accounts payable	\$ 972,426	\$ -	\$ 68,636	\$ 1,041,062
Deferred revenue - other	259,305	-	-	259,305
Total liabilities	<u>1,231,731</u>	<u>-</u>	<u>68,636</u>	<u>1,300,367</u>
<b>Fund Balances</b>				
Reserved for				
Donor program	347,535	-	-	347,535
Cemetery acquisition and perpetual care	233,067	-	-	233,067
Grant programs	528,920	-	-	528,920
Debt service	-	460,691	-	460,691
Unreserved	3,715,606	-	(21,899)	3,693,707
Total fund balances (deficit)	<u>4,825,128</u>	<u>460,691</u>	<u>(21,899)</u>	<u>5,263,920</u>
Total liabilities and fund balances	<u>\$ 6,056,859</u>	<u>\$ 460,691</u>	<u>\$ 46,737</u>	<u>\$ 6,564,287</u>

Village of Algonquin, Illinois

Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Year Ended April 30, 2005

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Revenues				
Charges for services	\$ 98,890	\$ -	\$ -	\$ 98,890
Intergovernmental, grants and contributions	3,133,765	-	96,700	3,230,465
Fines and fees	298,570	-	-	298,570
Other taxes	1,743,067	-	-	1,743,067
Interest	98,842	13,308	1,731	113,881
Miscellaneous	27,021	-	-	27,021
Total revenues	5,400,155	13,308	98,431	5,511,894
Expenditures				
Current				
General government	1,196,581	-	-	1,196,581
Public safety	554,965	-	-	554,965
Public works	1,274,887	-	21,576	1,296,463
Debt service				
Principal	-	320,000	-	320,000
Interest and fiscal charges	-	235,533	-	235,533
Capital outlay	2,802,955	-	129,916	2,932,871
Total expenditures	5,829,388	555,533	151,492	6,536,413
Excess (deficiency) of revenues over expenditures	(429,233)	(542,225)	(53,061)	(1,024,519)
Other financing sources (uses)				
Transfers in	45,540	513,289	-	558,829
Transfers out	(4,080)	-	-	(4,080)
Total other financing sources (uses)	41,460	513,289	-	554,749
Net change in fund balances	(387,773)	(28,936)	(53,061)	(469,770)
Fund balances - beginning	5,212,901	489,627	31,162	5,733,690
Fund balances (deficit)- ending	\$ 4,825,128	\$ 460,691	\$ (21,899)	\$ 5,263,920

## NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

**North Central Narcotics Task Force Fund** - to account for the activities of operating the Byrne Formula Grant. Additional financing is provided by police confiscations related to drug and other illegal activities.

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

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

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

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

Village of Algonquin, Illinois

Nonmajor Special Revenue Funds

Combining Balance Sheet

April 30, 2005

	Community Development Block Grant	Motor Fuel Tax	Public Swimming Pool	Parks	Cul de Sac
<b>Assets</b>					
Cash and cash equivalents	\$ 277,872	\$ 697,633	\$ 29,974	\$ 1,943,362	\$ 15,903
Investments	-	-	-	-	750,000
Receivables					
Intergovernmental	-	66,204	-	-	-
Accrued interest	-	-	-	-	8,019
Other	-	-	-	-	-
Total assets	<u>\$ 277,872</u>	<u>\$ 763,837</u>	<u>\$ 29,974</u>	<u>\$ 1,943,362</u>	<u>\$ 773,922</u>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ 512,789	\$ 611	\$ 48,158	\$ -
Deferred revenue - other	-	-	24,699	-	-
Total liabilities	<u>-</u>	<u>512,789</u>	<u>25,310</u>	<u>48,158</u>	<u>-</u>
<b>Fund Balances</b>					
Reserved for					
Donor program	-	-	-	347,535	-
Cemetery acquisition and perpetual care	-	-	-	-	-
Grant programs	277,872	251,048	-	-	-
Unreserved	<u>-</u>	<u>-</u>	<u>4,664</u>	<u>1,547,669</u>	<u>773,922</u>
Total fund balances	<u>277,872</u>	<u>251,048</u>	<u>4,664</u>	<u>1,895,204</u>	<u>773,922</u>
Total liabilities and fund balances	<u>\$ 277,872</u>	<u>\$ 763,837</u>	<u>\$ 29,974</u>	<u>\$ 1,943,362</u>	<u>\$ 773,922</u>

North Central Narcotics Task Force	Hotel/ Motel Tax	School Donations	Street Improvement	Cemetery	Totals
\$ 61,433	\$ 43,337	\$ 450,010	\$ 551,171	\$ 20,857	\$ 4,091,552
650,000	-	-	178,372	210,000	1,788,372
-	-	-	-	-	66,204
7,285	-	-	-	2,213	17,517
-	13,632	-	79,582	-	93,214
<u>\$ 718,718</u>	<u>\$ 56,969</u>	<u>\$ 450,010</u>	<u>\$ 809,125</u>	<u>\$ 233,070</u>	<u>\$ 6,056,859</u>
\$ -	\$ -	\$ -	\$ 394,655	\$ 16,213	\$ 972,426
-	-	234,606	-	-	259,305
-	-	234,606	394,655	16,213	1,231,731
-	-	-	-	-	347,535
-	-	-	-	233,067	233,067
-	-	-	-	-	528,920
718,718	56,969	215,404	414,470	(16,210)	3,715,606
718,718	56,969	215,404	414,470	216,857	4,825,128
<u>\$ 718,718</u>	<u>\$ 56,969</u>	<u>\$ 450,010</u>	<u>\$ 809,125</u>	<u>\$ 233,070</u>	<u>\$ 6,056,859</u>

Village of Algonquin, Illinois

Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Year Ended April 30, 2005

	Community Development Block Grant	Motor Fuel Tax	Public Swimming Pool	Parks	Cul de Sac
Revenues					
Charges for services	\$ -	\$ -	\$ 85,648	\$ -	\$ -
Intergovernmental, grants and contributions	-	858,644	-	1,253,365	-
Fines, fees and forfeitures	-	-	-	-	18,000
Other taxes	-	-	-	-	-
Interest	7,577	13,489	100	27,722	16,430
Miscellaneous	-	-	2,669	-	-
Total revenues	7,577	872,133	88,417	1,281,087	34,430
Expenditures					
Current					
General government	-	-	119,671	-	-
Public safety	-	-	-	-	-
Public works	-	1,124,851	-	27,007	25,810
Capital outlay	-	286,460	-	817,911	57,461
Total expenditures	-	1,411,311	119,671	844,918	83,271
Excess (deficiency) of revenues over expenditures	7,577	(539,178)	(31,254)	436,169	(48,841)
Other financing sources (uses)					
Transfer in	-	-	29,896	-	-
Transfer out	-	-	-	-	-
Total other financing sources (uses)	-	-	29,896	-	-
Net change in fund balances	7,577	(539,178)	(1,358)	436,169	(48,841)
Fund balances - beginning	270,295	790,226	6,022	1,459,035	822,763
Fund balances - ending	\$ 277,872	\$ 251,048	\$ 4,664	\$ 1,895,204	\$ 773,922

North Central Narcotics Task Force	Hotel/Motel Tax	School Donations	Street Improvement	Cemetery	Totals
\$ -	\$ -	\$ -	\$ -	\$ 13,242	\$ 98,890
200,817	-	819,046	1,893	-	3,133,765
280,570	-	-	-	-	298,570
-	67,657	-	1,675,410	-	1,743,067
15,213	101	5,625	7,850	4,735	98,842
-	-	-	24,352	-	27,021
496,600	67,758	824,671	1,709,505	17,977	5,400,155
-	20,802	1,028,631	-	27,477	1,196,581
554,965	-	-	-	-	554,965
-	-	-	97,219	-	1,274,887
59,931	-	-	1,559,191	22,001	2,802,955
614,896	20,802	1,028,631	1,656,410	49,478	5,829,388
(118,296)	46,956	(203,960)	53,095	(31,501)	(429,233)
-	-	-	-	15,644	45,540
-	-	(4,080)	-	-	(4,080)
-	-	(4,080)	-	15,644	41,460
(118,296)	46,956	(208,040)	53,095	(15,857)	(387,773)
837,014	10,013	423,444	361,375	232,714	5,212,901
\$ 718,718	\$ 56,969	\$ 215,404	\$ 414,470	\$ 216,857	\$ 4,825,128



Village of Algonquin, Illinois

Community Development Block Grant Fund

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2005

	Original Budget	Final Budget	Actual
Revenues			
Interest	\$ 6,575	\$ 6,575	\$ 7,577
Expenditures	-	-	-
Net change in fund balance	<u>\$ 6,575</u>	<u>\$ 6,575</u>	7,577
Fund balance - beginning			<u>270,295</u>
Fund balance - ending			<u>\$ 277,872</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, 2005

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental			
Motor fuel tax allotments	\$ 847,000	\$ 847,000	\$ 858,644
Interest	12,000	12,000	13,489
Total revenues	<u>859,000</u>	<u>859,000</u>	<u>872,133</u>
Expenditures			
Current			
Public works			
Commodities			
Materials	100,700	100,700	975,332
Contractual			
Engineering services	210,460	210,460	149,519
Capital outlay			
Improvements	1,234,000	1,234,000	286,460
Total expenditures	<u>1,545,160</u>	<u>1,545,160</u>	<u>1,411,311</u>
Net change in fund balance	<u>\$ (686,160)</u>	<u>\$ (686,160)</u>	(539,178)
Fund balance - beginning			<u>790,226</u>
Fund balance - ending			<u>\$ 251,048</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, 2005

	Original Budget	Final Budget	Actual
Revenues			
Charges for services			
Swimming pool fees	\$ 43,550	\$ 43,550	\$ 34,837
Swimming lessons	35,500	35,500	41,064
Concessions- Candy	8,500	8,500	7,948
Concessions- Vending	1,750	1,750	1,787
Concessions- Other	100	100	12
Interest	50	50	100
Miscellaneous	8,000	8,000	2,669
Total revenues	<u>97,450</u>	<u>97,450</u>	<u>88,417</u>
Expenditures			
Current			
General government			
Personnel	70,625	70,625	71,990
Commodities	29,975	29,975	21,210
Contractual services	30,850	30,850	26,471
Total expenditures	<u>131,450</u>	<u>131,450</u>	<u>119,671</u>
Deficiency of revenues over expenditures	(34,000)	(34,000)	(31,254)
Other financing sources			
Transfers in	<u>34,000</u>	<u>34,000</u>	<u>29,896</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(1,358)
Fund balance - beginning			<u>6,022</u>
Fund balance - ending			<u>\$ 4,664</u>

Village of Algonquin, Illinois

Public Swimming Pool Fund

Schedule of Expenditures - Budget and Actual  
Year Ended April 30, 2005

	Original Budget	Final Budget	Actual
Expenditures			
Current			
General government			
Personnel			
Salary of pool employees	\$ 65,000	\$ 65,000	\$ 65,660
Social security/state unemployment tax	5,625	5,625	6,330
	<u>70,625</u>	<u>70,625</u>	<u>71,990</u>
Commodities			
Office supplies	1,550	1,550	894
Chemicals	8,000	8,000	4,658
Postage	300	300	140
Building supplies	4,400	4,400	1,158
Concessions	7,000	7,000	7,834
Uniforms and safety items	2,950	2,950	2,606
Office furniture and equipment	1,825	1,825	-
Small tools and equipment	3,950	3,950	3,920
	<u>29,975</u>	<u>29,975</u>	<u>21,210</u>
Contractual services			
Professional services	2,700	2,700	1,200
Telephone	175	175	89
Gas-heat	4,000	4,000	3,812
Electricity	4,800	4,800	5,415
Maintenance			
Building	2,400	2,400	3,390
Pool	7,500	7,500	6,201
Insurance	7,700	7,700	5,078
Travel/training/dues	1,575	1,575	1,286
	<u>30,850</u>	<u>30,850</u>	<u>26,471</u>
Total expenditures	<u>\$ 131,450</u>	<u>\$ 131,450</u>	<u>\$ 119,671</u>

Village of Algonquin, Illinois

Parks Fund

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2005

	Original Budget	Final Budget	Actual
Revenues			
Contributions	\$ 610,000	\$ 610,000	\$ 853,365
Grants	400,000	400,000	400,000
Interest	-	-	27,722
Total revenues	<u>1,010,000</u>	<u>1,010,000</u>	<u>1,281,087</u>
Expenditures			
Current			
Public works			
Contractual services			
Engineering fees	148,900	148,900	-
Professional fees	60,000	60,000	27,007
Capital outlay			
Capital outlay	-	-	40,949
Park development	2,240,500	2,240,500	776,962
Total expenditures	<u>2,449,400</u>	<u>2,449,400</u>	<u>844,918</u>
Net change in fund balance	<u>\$ (1,439,400)</u>	<u>\$ (1,439,400)</u>	436,169
Fund balance - beginning			<u>1,459,035</u>
Fund balance - ending			<u>\$ 1,895,204</u>

Village of Algonquin, Illinois

Cul De Sac Fund

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2005

	Original Budget	Final Budget	Actual
Revenues			
Fines, fees and forfeitures			
Cul de Sac fees	\$ 36,000	\$ 36,000	\$ 18,000
Interest	12,500	12,500	16,430
Total revenues	<u>48,500</u>	<u>48,500</u>	<u>34,430</u>
Expenditures			
Current			
Public works			
Commodities			
Tools and equipment	-	-	3,410
Contractual services			
Snow removal	20,000	20,000	22,400
Capital outlay	65,000	65,000	57,461
Total expenditures	<u>85,000</u>	<u>85,000</u>	<u>83,271</u>
Net change in fund balance	<u>\$ 28,500</u>	<u>\$ 28,500</u>	(48,841)
Fund balance - beginning			<u>822,763</u>
Fund balance - ending			<u>\$ 773,922</u>

Village of Algonquin, Illinois

Hotel/Motel Tax Fund

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2005

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Hotel tax	\$ 80,000	\$ 80,000	\$ 67,657
Interest	-	-	101
Total revenues	80,000	80,000	67,758
Expenditures			
Current			
General government			
Contractual - developer agreement	80,000	80,000	20,802
Net change in fund balance	\$ -	\$ -	46,956
Fund balance - beginning			10,013
Fund balance - ending			\$ 56,969

Village of Algonquin, Illinois

School Donations Fund

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2005

	Original Budget	Final Budget	Actual
Revenues			
Contributions	\$ 2,000,000	\$ 2,000,000	\$ 819,046
Interest	10,000	10,000	5,625
Total revenues	2,010,000	2,010,000	824,671
Expenditures			
Current			
General government			
Contractual services - impact fees	3,000,000	3,000,000	1,028,631
Excess (deficiency) of revenues over expenditures	(990,000)	(990,000)	(203,960)
Other financing uses			
Transfer out	(3,000)	(3,000)	(4,080)
Net change in fund balance	<u>\$ (993,000)</u>	<u>\$ (993,000)</u>	(208,040)
Fund balance - beginning			<u>423,444</u>
Fund balance - ending			<u>\$ 215,404</u>



Village of Algonquin, Illinois

Street Improvement Fund

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2005

	Original Budget	Final Budget	Actual
Revenues			
Contributions	\$ 75,000	\$ 75,000	\$ 1,893
Other taxes			
Utility taxes	1,000,000	1,000,000	1,145,222
Telecommunication taxes	500,000	500,000	530,188
Interest	3,000	3,000	7,850
Miscellaneous	-	-	24,352
Total revenues	<u>1,578,000</u>	<u>1,578,000</u>	<u>1,709,505</u>
Expenditures			
Current			
Public works			
Commodities			
Small tools and equipment	-	-	92,959
Contractual services			
Legal services	1,000	1,000	-
Engineering services	302,000	302,000	4,260
Capital outlay			
Algonquin Hills improvements	270,000	270,000	215,522
Downtown improvements	65,000	65,000	176,292
South Algonquin improvements	1,110,000	1,110,000	1,050,089
Capital improvements	140,000	140,000	117,288
Total expenditures	<u>1,888,000</u>	<u>1,888,000</u>	<u>1,656,410</u>
Net change in fund balance	<u>\$ (310,000)</u>	<u>\$ (310,000)</u>	53,095
Fund balance - beginning			<u>361,375</u>
Fund balance - ending			<u>\$ 414,470</u>

Village of Algonquin, Illinois

Cemetery Fund

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2005

	Original Budget	Final Budget	Actual
Revenues			
Charges for services			
Opening graves and closing crypts	\$ 9,000	\$ 9,000	\$ 8,962
Perpetual care	1,000	1,000	1,080
Sale of lots	3,400	3,400	3,200
Interest	3,110	3,110	4,735
Total revenues	<u>16,510</u>	<u>16,510</u>	<u>17,977</u>
Expenditures			
Current			
General government			
Commodities			
Supplies	6,100	6,100	2,475
Small tools and equipment	550	550	-
Contractual services			
Professional services	35,600	35,600	16,862
Grave openings	7,500	7,500	6,000
Insurance	3,050	3,050	2,140
Capital outlay	-	-	22,001
Total expenditures	<u>52,800</u>	<u>52,800</u>	<u>49,478</u>
Excess (deficiency) of revenues over expenditures	(36,290)	(36,290)	(31,501)
Other financing sources			
Transfer in	<u>20,790</u>	<u>20,790</u>	<u>15,644</u>
Net change in fund balance	<u>\$ (15,500)</u>	<u>\$ (15,500)</u>	(15,857)
Fund balance - beginning			<u>232,714</u>
Fund balance - ending			<u>\$ 216,857</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, 2005

	Original Budget	Final Budget	Actual
Revenues			
Interest	\$ 12,000	\$ 12,000	\$ 13,308
Expenditures			
Debt service			
Principal	320,000	320,000	320,000
Interest and fiscal charges	237,100	237,100	235,533
Total expenditures	557,100	557,100	555,533
Excess (deficiency) of revenue over expenditures	(545,100)	(545,100)	(542,225)
Other financing sources			
Transfers in	557,100	557,100	513,289
Net change in fund balance	\$ 12,000	\$ 12,000	(28,936)
Fund balance - beginning			489,627
Fund balance - ending			\$ 460,691

#### **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, 2005

	Original Budget	Final Budget	Actual
Revenues			
Contributions	\$ 50,000	\$ 126,500	\$ 96,700
Interest	1,250	1,250	1,731
Total revenues	<u>51,250</u>	<u>127,750</u>	<u>98,431</u>
Expenditures			
Current			
Public works			
Commodities - small tools and supplies	-	-	21,576
Capital outlay	40,000	116,500	129,916
Total expenditures	<u>40,000</u>	<u>116,500</u>	<u>151,492</u>
Net change in fund balance	<u>\$ 11,250</u>	<u>\$ 11,250</u>	(53,061)
Fund balance - beginning			<u>31,162</u>
Fund balance (deficit) - ending			<u>\$ (21,899)</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, 2005

	Unrestricted Accounts		Restricted Accounts			
	Operations and Maintenance	Improvements and Extension	Bond and Interest	Bond Reserve	Depreciation	Totals
<b>Assets</b>						
Current Assets						
Cash and cash equivalents	\$ 54,383	\$ 4,091,033	\$ -	\$ -	\$ -	\$ 4,145,416
Investments	-	2,425,000	-	-	-	2,425,000
Receivables						
Accounts	557,961	32,432	-	-	-	590,393
Interest	135	21,913	-	-	-	22,048
Intra-fund receivable/payable	(305,000)	305,000	-	-	-	-
Prepaid items	25,855	-	-	-	-	25,855
Total current assets	333,334	6,875,378	-	-	-	7,208,712
Restricted Assets						
Cash and cash equivalents	-	-	494	445	196	1,135
Investments	-	-	11,000	512,000	152,000	675,000
Accrued interest	-	-	5	199	60	264
Total restricted assets	-	-	11,499	512,644	152,256	676,399
Capital Assets						
Cost	91,605,167	-	-	-	-	91,605,167
Accumulated depreciation	(22,403,905)	-	-	-	-	(22,403,905)
Total capital assets, net	69,201,262	-	-	-	-	69,201,262
Total assets	\$ 69,534,596	\$ 6,875,378	\$ 11,499	\$ 512,644	\$ 152,256	\$ 77,086,373



	Unrestricted Accounts		Restricted Accounts			
	Operations and Maintenance	Improvements and Extension	Bond and Interest	Bond Reserve	Depreciation	Totals
<b>Liabilities</b>						
Current Liabilities						
Accounts payable	\$ 246,203	\$ 1,735,630	\$ -	\$ -	\$ -	\$ 1,981,833
Accrued interest	9,670	-	-	-	-	9,670
Compensated absences	79,969	-	-	-	-	79,969
General obligation bonds payable	155,000	-	-	-	-	155,000
Revenue bonds payable	210,000	-	-	-	-	210,000
Total current liabilities	700,842	1,735,630	-	-	-	2,436,472
Noncurrent Liabilities						
Compensated absences	34,147	-	-	-	-	34,147
General obligation bonds payable, net	1,668,042	-	-	-	-	1,668,042
Revenue bonds payable, net	616,975	-	-	-	-	616,975
Total noncurrent liabilities	2,319,164	-	-	-	-	2,319,164
Total liabilities	3,020,006	1,735,630	-	-	-	4,755,636
<b>Net Assets</b>						
Invested in capital assets, net of related debt	66,551,245	-	-	-	-	66,551,245
Restricted - revenue bond covenants	-	-	11,499	512,644	152,256	676,399
Unrestricted (deficit)	(36,655)	5,139,748	-	-	-	5,103,093
Total net assets	\$ 66,514,590	\$ 5,139,748	\$ 11,499	\$ 512,644	\$ 152,256	\$ 72,330,737

Village of Algonquin, Illinois

Waterworks and Sewerage Fund

Statement of Changes in Net Assets -  
Restricted Accounts  
Year Ended April 30, 2005

	Bond and Interest	Bond Reserve	Depreciation	Totals
Increases				
Developer donations	\$ -	\$ -	\$ -	\$ -
Connection fees	-	-	-	-
Interest	5,551	9,946	2,938	18,435
Account transfers	120,425	-	-	120,425
Total increases	<u>125,976</u>	<u>9,946</u>	<u>2,938</u>	<u>138,860</u>
Decreases				
Account transfers	-	10,000	4,000	14,000
Bond interest and fees	129,508	-	-	129,508
Total decreases	<u>129,508</u>	<u>10,000</u>	<u>4,000</u>	<u>143,508</u>
Change in net assets	(3,532)	(54)	(1,062)	(4,648)
Restricted net assets - beginning	<u>15,031</u>	<u>512,698</u>	<u>153,318</u>	<u>681,047</u>
Restricted net assets - ending	<u>\$ 11,499</u>	<u>\$ 512,644</u>	<u>\$ 152,256</u>	<u>\$ 676,399</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, 2005

	Original Budget	Final Budget	Actual
Operating revenues			
Charges for services			
Water and sewer revenue	\$ 4,437,230	\$ 4,437,230	\$ 3,702,996
Meter sales	268,000	268,000	234,550
Connection fees	4,160,000	4,160,000	3,878,266
Administration fee	76,500	76,500	64,668
Miscellaneous	3,000	3,000	145,833
Total operating revenues	8,944,730	8,944,730	8,026,313
Operating expenses excluding depreciation	4,838,770	4,901,330	3,908,619
Nonoperating revenues (expenses)			
Contributions	500,000	500,000	499,280
Interest income	46,600	46,600	181,168
Interest expense and fiscal agent fees	(131,080)	(131,080)	(128,421)
Bond principal	(350,000)	(350,000)	(350,000)
Total nonoperating revenues (expenses)	65,520	65,520	202,027

Village of Algonquin, Illinois

Waterworks and Sewerage Fund

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

Year Ended April 30, 2005

	Original Budget	Final Budget	Actual
Water department			
Personnel			
IMRF	\$ 62,175	\$ 62,175	\$ 50,880
FICA	51,270	51,270	45,338
Unemployment tax	1,050	1,050	3,322
Health insurance	93,175	93,175	88,910
Salaries	627,825	627,825	579,296
Overtime	42,375	42,375	25,682
Commodities			
Meters	73,720	73,720	109,593
Office supplies	1,475	1,475	1,407
Materials	13,570	13,570	8,373
Chemicals	154,300	154,300	138,452
Postage	30,900	30,900	23,925
Building supplies	7,930	7,930	6,451
Small tools and equipment	20,795	20,795	20,888
Fuel	10,575	10,575	18,377
Lab supplies	4,200	4,200	2,914
Office furniture and equipment	20,500	24,516	13,920
Contractual services			
Utilities	277,785	277,785	247,535
Legal services	3,500	3,500	10,035
Audit services	3,825	3,825	3,700
Engineering services	36,000	36,000	30,839
Professional services	111,030	118,047	104,405
Insurance	114,700	114,700	87,472
Publications	2,720	2,720	1,108
Printing	8,200	8,200	5,794
Equipment rental	3,460	3,460	913
Physical exams	200	200	70
Travel/training/dues	9,010	9,010	8,237
Bank processing fees	11,570	11,570	9,061
Uniforms	8,500	8,500	7,435
Maintenance			
Wells	161,495	131,495	59,579
Booster station	21,935	21,935	7,152
Maintenance storage facility	14,200	14,200	2,619
Treatment facility	31,245	61,245	36,048
Distribution system	59,500	59,500	46,150

Village of Algonquin, Illinois

Waterworks and Sewerage Fund

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

Year Ended April 30, 2005

	Original Budget	Final Budget	Actual
Water department (continued)			
Contractual services (continued)			
Maintenance (continued)			
Vehicle maintenance	\$ 48,745	\$ 48,745	\$ 64,276
Radio maintenance	650	650	68
Building maintenance	9,400	9,400	6,440
Maintenance - Other	10,165	10,165	9,339
Equipment maintenance	19,770	19,770	5,787
Capital outlay	77,330	66,297	75,027
Less fixed assets capitalized	(77,330)	(66,297)	(75,027)
Total water department	2,183,440	2,194,473	1,891,790
Sewer department			
Personnel			
IMRF	66,075	66,075	56,611
FICA	54,425	54,425	50,656
Unemployment tax	1,100	1,100	3,685
Health insurance	94,775	94,775	86,144
Salaries	665,975	665,975	653,303
Overtime	35,390	35,390	31,868
Commodities			
Meters	73,720	103,720	109,535
Office supplies	1,475	1,475	1,246
Materials	12,950	12,950	6,896
Chemicals	36,500	56,500	50,638
Postage	28,250	28,250	20,945
Building supplies	9,700	9,700	6,777
Small tools and equipment	22,770	22,770	22,362
Fuel	10,875	10,875	10,549
Lab supplies	4,250	4,250	3,889
Office furniture and equipment	17,800	15,816	11,549
Contractual services			
Utilities	167,740	167,740	194,699
Legal services	3,500	3,500	11,548
Audit services	3,825	3,825	3,700
Engineering services	25,100	30,100	33,459
Professional services	101,380	108,397	74,048

(Continued)

Village of Algonquin, Illinois

Waterworks and Sewerage Fund

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

Year Ended April 30, 2005

	Original Budget	Final Budget	Actual
Sewer department (continued)			
Contractual services (continued)			
Insurance	\$ 99,250	\$ 99,250	\$ 76,498
Publications	2,470	2,470	862
Printing	5,475	5,475	795
Equipment rental	4,165	4,665	6,668
Physical exams	200	200	23
Sludge removal	46,650	46,650	45,406
Travel/training/dues	7,585	7,585	6,754
Bank processing fees	11,570	11,570	9,061
Uniforms	15,150	15,150	16,469
Maintenance			
Treatment facility	95,300	73,800	75,423
Lift station	35,035	35,035	45,302
Collection station	13,450	13,450	6,644
Vehicle maintenance	48,750	33,750	29,112
Radio maintenance	650	650	18
Building maintenance	22,675	22,675	18,545
Equipment maintenance	24,505	14,505	11,571
Other	9,575	9,575	6,701
Capital outlay	96,650	82,617	81,872
Less capitalized amounts	(96,650)	(82,617)	(81,872)
Total sewer department	1,880,030	1,894,063	1,799,959
Non departmental			
Commodities			
Small tools and equipment	-	-	121,428
Contractual services			
Engineering services	755,300	792,794	13,688
Professional services	20,000	20,000	1,800
Other	-	-	62,954
Capital outlay	8,869,500	8,832,006	7,512,029
Less capitalized amounts	(8,869,500)	(8,832,006)	(7,495,029)
Total non departmental	775,300	812,794	216,870
Total operating expenses	\$ 4,838,770	\$ 4,901,330	\$ 3,908,619

Village of Algonquin, Illinois

Nonmajor Internal Service Fund - Vehicle Maintenance Fund

Schedule of Revenues, Expenses and  
Changes in Net Assets - Budget and Actual  
Year Ended April 30, 2005

	Original Budget	Final Budget	Actual
Operating revenues			
Charges for services			
Maintenance billings	\$ 609,480	\$ 688,816	\$ 688,816
Fuel billings	150,000	189,018	189,017
Total operating revenues	<u>759,480</u>	<u>877,834</u>	<u>877,833</u>
Operating expenses			
Personnel	295,125	295,125	267,427
Contractual services	22,600	22,600	25,901
Supplies and materials	324,075	442,429	454,953
Maintenance	108,705	108,705	121,253
Other charges	8,975	8,975	8,299
Total operating expenses	<u>759,480</u>	<u>877,834</u>	<u>877,833</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, 2005

	Original Budget	Final Budget	Actual
Operating expenses			
Personnel			
IMRF	\$ 20,975	\$ 20,975	\$ 18,284
FICA	17,000	17,000	16,188
SUI	325	325	1,079
Health Insurance	37,100	37,100	19,475
Salaries	208,725	208,725	191,393
Overtime	11,000	11,000	21,008
	<u>295,125</u>	<u>295,125</u>	<u>267,427</u>
Contractual services			
Telephone	3,300	3,300	3,894
Natural gas	11,150	11,150	6,497
Electric	-	-	(911)
Professional services	5,050	5,050	8,824
Publications	350	350	1,441
Printing and advertising	1,550	1,550	4,773
Equipment rental	900	900	956
Physical exams	300	300	427
	<u>22,600</u>	<u>22,600</u>	<u>25,901</u>
Supplies and materials			
Office supplies	700	700	1,186
Postage	150	150	20
Building supplies	2,750	2,750	7,067
Tools, equipment and supplies	15,145	15,145	31,427
Fuel	153,780	192,753	194,910
Oil, lubricants, and fluids	149,500	228,881	217,525
Office furniture and equipment	2,050	2,050	2,818
	<u>324,075</u>	<u>442,429</u>	<u>454,953</u>

(Continued)



#### **INTERNAL SERVICE FUND**

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

Village of Algonquin, Illinois

Internal Service Fund - Vehicle Maintenance Fund

Schedule of Operating Expenses - Budget and Actual (Continued)  
Year Ended April 30, 2005

	Original Budget	Final Budget	Actual
Operating expenses (continued)			
Maintenance			
Vehicle maintenance	\$ 3,000	\$ 3,000	\$ (1,995)
Equipment maintenance	1,000	1,000	1,257
Radio maintenance	300	300	60
Building maintenance	11,205	11,205	11,814
Outsourced vehicle and equipment maintenance	93,000	93,000	110,000
Office equipment maintenance	200	200	117
	<u>108,705</u>	<u>108,705</u>	<u>121,253</u>
Other charges			
Travel, training and dues	4,325	4,325	2,192
Uniforms and safety items	4,650	4,650	6,107
	<u>8,975</u>	<u>8,975</u>	<u>8,299</u>
Total operating expenses	<u>\$ 759,480</u>	<u>\$ 877,834</u>	<u>\$ 877,833</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, 2005

	Original Budget	Final Budget	Actual
Additions			
Contributions			
Employer	\$ 354,320	\$ 354,320	\$ 354,643
Participants	240,550	240,550	241,962
	<u>594,870</u>	<u>594,870</u>	<u>596,605</u>
Investment income			
Net appreciation in fair value of investments	-	-	123,575
Interest income	338,550	338,550	166,516
Less investment expenses	(26,500)	(26,500)	(28,277)
	<u>312,050</u>	<u>312,050</u>	<u>261,814</u>
Total additions	<u>906,920</u>	<u>906,920</u>	<u>858,419</u>
Deductions			
Administration	4,900	4,900	6,049
Pension benefits and refunds	102,530	102,530	65,627
Total deductions	<u>107,430</u>	<u>107,430</u>	<u>71,676</u>
Change in net assets	<u>\$ 799,490</u>	<u>\$ 799,490</u>	786,743
Net assets - beginning			<u>4,957,683</u>
Net assets - ending			<u>\$ 5,744,426</u>

Village of Algonquin, Illinois

Agency Fund - Developer Deposits

Statement of Changes in Assets and Liabilities  
Year Ended April 30, 2005

	Balance, May 1	Additions	Deductions	Balance, April 30
<hr/>				
Assets				
Cash and cash equivalents	\$ 652,641	\$ 458,157	\$ 443,805	\$ 666,993
	<hr/>			
Liabilities				
Deposits	\$ 652,641	\$ 458,157	\$ 443,805	\$ 666,993
	<hr/>			

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

Village of Algonquin, Illinois

Capital Assets Used in the Operation of Governmental Funds

Schedule of Capital Assets by Source

April 30, 2005

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Assets

Governmental funds capital assets

Land	\$ 97,045,573
Buildings	15,987,102
Improvements other than buildings	7,453,239
Vehicles and equipment	4,819,021
Streets/storm sewers/bridges	89,283,291
Construction in progress	2,635,783

Total governmental funds capital assets	<u>\$ 217,224,009</u>
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Investment in Governmental Funds Capital Assets By Source

From current revenues and developer donations	\$ 206,526,556
Debt issuance	8,650,000
Intergovernmental	2,047,453

Total governmental funds capital assets	<u>\$ 217,224,009</u>
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Village of Algonquin, Illinois

Capital Assets Used in the Operation of Governmental Funds

Schedule by Function and Activity

April 30, 2005

	Land	Buildings	Improvements Other Than Buildings	Vehicles and Equipment	Streets/ Storm Sewers/ Bridges	Construction in Progress	Total
General government	\$ 2,966,613	\$ 5,415,205	\$ 1,219,605	\$ 2,118,573	\$ -	\$ -	\$ 11,719,996
Public safety	-	-	-	746,361	-	-	746,361
Public works	94,078,960	10,571,897	6,233,634	1,954,087	89,283,291	2,635,783	204,757,652
	<u>\$ 97,045,573</u>	<u>\$ 15,987,102</u>	<u>\$ 7,453,239</u>	<u>\$ 4,819,021</u>	<u>\$ 89,283,291</u>	<u>\$ 2,635,783</u>	<u>\$ 217,224,009</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, 2005

	Balance May 1, 2004	Additions	Deletions	Balance April 30, 2005
General government	\$ 11,697,996	\$ 22,000	\$ -	\$ 11,719,996
Public safety	1,097,258	207,260	558,157	746,361
Public works	170,033,294	39,056,563	4,332,205	204,757,652
	<u>\$ 182,828,548</u>	<u>\$ 39,285,823</u>	<u>\$ 4,890,362</u>	<u>\$ 217,224,009</u>

## OTHER SUPPLEMENTARY INFORMATION

Village of Algonquin, Illinois

Long-Term Debt Requirements

General Obligation Refunding Bonds, Series 1998

April 30, 2005

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

Principal and Interest Requirements

Fiscal Year	June 30 Interest	December 30		Total
		Principal	Interest	
2006	\$ 6,065	\$ 100,000	\$ 6,065	\$ 112,130
2007	4,215	105,000	4,215	113,430
2008	2,220	120,000	2,220	124,440
	\$ 12,500	\$ 325,000	\$ 12,500	\$ 350,000

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Village of Algonquin, Illinois

Long-Term Debt Requirements

General Obligation Refunding Bonds, Series 2001A

April 30, 2005

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	
2006	\$ 42,241	\$ 155,000	\$ 42,241	\$ 239,482
2007	38,560	170,000	38,560	247,120
2008	34,841	170,000	34,841	239,682
2009	31,123	180,000	31,123	242,246
2010	27,185	460,000	27,185	514,370
2011	17,123	405,000	17,123	439,246
2012	8,213	365,000	8,213	381,426
	<u>\$ 199,286</u>	<u>\$ 1,905,000</u>	<u>\$ 199,286</u>	<u>\$ 2,303,572</u>

Village of Algonquin, Illinois

Long-Term Debt Requirements

General Obligation Refunding Bonds, Series 2001B

April 30, 2005

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	
2006	\$ 39,803	\$ 345,000	\$ 39,803	\$ 424,606
2007	31,609	360,000	31,609	423,218
2008	23,734	370,000	23,734	417,468
2009	15,641	390,000	15,641	421,282
2010	7,109	325,000	7,109	339,218
	<u>\$ 117,896</u>	<u>\$ 1,790,000</u>	<u>\$ 117,896</u>	<u>\$ 2,025,792</u>

Village of Algonquin, Illinois

Long-Term Debt Requirements

Revenue Bonds, Series 2002

April 30, 2005

Date of issue	January 15, 2002
Date of maturity	April 1, 2009
Interest rate	2.80% - 3.80%
Interest dates	October 1 and April 1
Payable at	BNY Midwest Trust Company

Principal and Interest Requirements

Fiscal Year	October 1 Interest	April 1		Total
		Principal	Interest	
2006	\$ 15,780	\$ 210,000	\$ 15,780	\$ 241,560
2007	12,473	220,000	12,473	244,946
2008	8,623	235,000	8,623	252,246
2009	4,275	225,000	4,275	233,550
	\$ 41,151	\$ 890,000	\$ 41,151	\$ 972,302

Village of Algonquin, Illinois

Long-Term Debt Requirements  
General Obligation Bonds, Series 2002A  
April 30, 2005

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	
2006	\$ 68,453	\$ -	\$ 68,453	\$ 136,906
2007	68,453	15,000	68,453	151,906
2008	68,153	40,000	68,153	176,306
2009	67,353	50,000	67,353	184,706
2010	66,353	140,000	66,353	272,706
2011	63,378	500,000	63,378	626,756
2012	52,753	535,000	52,753	640,506
2013	41,050	560,000	41,050	642,100
2014	28,450	600,000	28,450	656,900
2015	14,950	650,000	14,950	679,900
	\$ 539,346	\$ 3,090,000	\$ 539,346	\$ 4,168,692

Village of Algonquin, Illinois

Long-Term Debt Requirements

General Obligation Bonds, Series 2002B

April 30, 2005

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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	\$ 387,896	\$ 287,104	\$ 675,000
2017	366,693	308,307	675,000
2018	346,311	328,689	675,000
2019	338,846	361,154	700,000
2020	319,394	380,606	700,000
2021	238,742	321,258	560,000
	<u>\$ 1,997,882</u>	<u>\$ 1,987,118</u>	<u>\$ 3,985,000</u>



STATISTICAL SECTION  
(unaudited)

Village of Algonquin, Illinois

Government-Wide Revenues

April 30, 2005

Year	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Property Taxes	Other Taxes	Interest	Miscellaneous	Total
2004	\$ 8,260,923	\$ 3,678,734	\$ 21,980,625	\$ 3,296,024	\$ 7,507,471	\$ 241,662	\$ 148,343	\$ 45,113,782
2005	11,007,285	3,985,108	50,677,909	3,889,332	8,701,904	339,283	95,263	78,696,084

Note: Information presented for as many years as available.

Source: Village records.

Village of Algonquin, Illinois

Government-Wide Expenses by Function

April 30, 2005

Year	Governmental Activities				Business-Type Activities	Total
	General Government	Public Safety	Public Works	Interest	Water and Sewer	
2004	\$ 3,431,227	\$ 5,460,846	\$ 5,710,739	\$ 364,595	\$ 5,598,450	\$ 20,565,857
2005	5,287,207	5,681,127	7,383,989	359,523	9,660,213	28,372,059

Note: Information presented for as many years as available.

Source: Village records.

Village of Algonquin, Illinois

General Governmental Revenues By Source  
Last Ten Fiscal Years

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Taxes*	\$ 3,449,287	\$ 3,741,467	\$ 4,071,492	\$ 4,583,497	\$ 4,967,915	\$ 5,768,528	\$ 6,456,006	\$ 7,630,517	\$ 10,687,467	\$ 12,502,435
Licenses and permits	791,778	453,656	439,805	520,591	703,225	1,130,910	1,195,121	1,081,629	711,050	1,564,632
Intergovernmental*	1,402,661	1,895,732	2,673,081	2,326,291	3,110,461	3,940,213	3,182,908	3,745,425	2,603,352	3,485,828
Charges for services	434,047	489,858	1,055,168	703,333	980,895	838,563	849,321	902,084	811,630	557,327
Fines, fees and forfeitures	405,493	394,909	468,382	443,505	514,247	523,258	674,576	596,170	804,387	859,013
Interest	527,977	391,541	329,074	366,081	471,947	715,008	455,846	400,382	126,958	158,115
Miscellaneous*	200,463	350,981	529,729	1,052,831	2,070,708	710,816	1,629,236	1,010,647	148,336	135,415
	<u>\$ 7,211,706</u>	<u>\$ 7,718,144</u>	<u>\$ 9,566,731</u>	<u>\$ 9,996,129</u>	<u>\$ 12,819,398</u>	<u>\$ 13,627,296</u>	<u>\$ 14,443,014</u>	<u>\$ 15,366,854</u>	<u>\$ 15,893,180</u>	<u>\$ 19,262,765</u>

Includes General, Special Revenue, Debt Service and Capital Projects Funds.

\*Beginning in fiscal year 2004:

Cemetery and school donation funds are now included as special revenue funds.

State Income tax previously reported as an "Intergovernmental" revenue is now included with "Taxes"

Donations previously reported as a "Miscellaneous" revenue; donations are now included with "Intergovernmental"

Source: Village records

Village of Algonquin, Illinois

General Governmental Expenditures By Function  
Last Ten Fiscal Years

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
General government	\$ 1,451,089	\$ 1,595,138	\$ 1,555,207	\$ 1,692,209	\$ 1,795,987	\$ 2,056,607	\$ 2,338,553	\$ 2,502,442	\$ 3,096,296	\$ 4,198,060
Public safety	1,591,110	1,986,036	2,321,915	2,914,387	3,955,665	3,583,674	4,204,727	5,401,937	5,175,559	5,479,560
Highways and streets	939,095	1,246,709	1,229,894	1,531,079	1,498,104	1,745,232	2,029,600	2,341,470	3,181,664	4,479,163
Culture and recreation	117,443	239,384	417,288	519,019	627,698	716,060	1,044,047	1,749,971	-	-
Miscellaneous	-	-	-	-	-	-	47,480	54,879	-	-
Capital outlay	4,333,033	5,643,725	2,715,706	1,712,532	2,350,055	2,373,845	4,980,188	9,996,548	8,362,461	3,234,345
Debt service	330,335	348,575	389,363	415,180	489,175	515,202	532,403	662,446	656,768	725,069
	<u>\$ 8,762,105</u>	<u>\$ 11,059,567</u>	<u>\$ 8,629,373</u>	<u>\$ 8,784,406</u>	<u>\$ 10,716,684</u>	<u>\$ 10,990,620</u>	<u>\$ 15,176,998</u>	<u>\$ 22,709,693</u>	<u>\$ 20,472,748</u>	<u>\$ 18,116,197</u>

Includes General, Special Revenue, Debt Service and Capital Projects Funds.

Source: Village records

Village of Algonquin, Illinois

Property Tax Assessed Valuation, Rates and Extensions

Last Ten Levy Years

April 30, 2005

Tax Levy Year	2004		2003		2002		2001		2000	
Assessed valuation	<u>\$ 834,437,331</u>		<u>\$ 747,072,297</u>		<u>\$ 658,305,942</u>		<u>\$ 578,127,467</u>		<u>\$ 513,584,881</u>	
	Rate*	Amount	Rate*	Amount	Rate*	Amount	Rate*	Amount	Rate*	Amount
Corporate	0.216	\$ 1,800,560	0.220	\$ 1,645,056	0.158	\$ 1,179,289	0.236	\$ 1,349,230	0.250	\$ 1,192,750
Retirement	0.020	170,233	0.019	145,218	0.016	119,468	0.025	128,572	0.025	127,463
Police protection	0.075	625,649	0.074	550,592	0.057	427,899	0.071	405,967	0.075	357,825
Liability insurance	0.066	550,570	0.074	550,592	0.087	650,406	0.074	429,027	0.039	176,954
School crossing guard	0.001	4,887	0.000	2,988	0.000	658	0.000	1,156	0.000	1,908
Bonds	0.014	112,530	0.015	111,492	0.014	104,169	0.018	104,989	0.018	89,973
Police pension	0.051	421,391	0.048	354,859	0.046	342,977	0.045	257,866	0.046	199,411
Social security	0.034	284,376	0.034	250,161	0.028	205,769	0.032	192,858	0.034	202,547
Emergency service	0.001	4,887	0.000	2,988	0.000	658	0.000	1,156	0.000	1,908
	0.477	\$ 3,975,083	0.484	\$ 3,613,946	0.406	\$ 3,031,293	0.502	\$ 2,870,821	0.488	\$ 2,350,739
Road and bridge	0.040	\$ 297,397	0.037	\$ 277,977	0.039	\$ 256,471	0.038	\$ 219,688	0.035	\$ 199,574

Village of Algonquin, Illinois

Property Tax Assessed Valuation, Rates and Extensions (Continued)

Last Ten Levy Years

April 30, 2005

Tax Levy Year	1999		1998		1997		1996		1995	
Assessed valuation	<u>\$ 463,158,850</u>		<u>\$ 429,661,002</u>		<u>\$ 419,401,278</u>		<u>\$ 356,504,156</u>		<u>\$ 308,854,325</u>	
	Rate*	Amount	Rate*	Amount	Rate*	Amount	Rate*	Amount	Rate*	Amount
Corporate	0.250	\$ 1,154,612	0.250	\$ 1,074,155	0.192	\$ 984,108	0.248	\$ 885,291	0.249	\$ 769,765
Retirement	0.027	124,238	0.027	113,860	0.064	267,793	0.084	299,662	0.033	103,394
Police protection	0.075	346,639	0.075	322,246	0.070	295,232	0.074	265,530	0.075	230,938
Liability insurance	0.036	167,905	0.035	150,381	0.033	138,012	0.041	145,597	0.047	146,286
School crossing guard	0.001	3,679	0.001	2,148	0.001	1,968	0.000	1,281	0.001	2,945
Bonds	0.019	87,707	0.020	84,731	0.011	48,103	0.024	84,990	0.028	85,805
Police pension	0.040	186,432	0.039	166,279	0.026	134,626	0.025	88,271	0.027	82,265
Social security	0.044	205,239	0.043	182,606	-	-	-	-	0.049	152,529
Emergency service	0.001	3,679	0.000	1,807	0.001	3,543	0.001	3,564	0.001	3,058
	0.492	\$ 2,280,130	0.488	\$ 2,098,213	0.398	\$ 1,873,385	0.497	\$ 1,774,186	0.509	\$ 1,576,985
Road and bridge	0.042	\$ 240,708	0.043	\$ 222,870	0.042	\$ 195,607	0.046	\$ 197,513	0.057	\$ 176,985

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

Village of Algonquin, Illinois

Property Tax Levies and Collections  
Last Ten Levy Years

Tax Levy Year	Collected Year	Total Taxes Extended	Total Taxes Collected	Percent of Taxes Collected to Tax Extension	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Total Extension
1995	1996	\$ 1,576,985	\$ 1,576,772	100.0	\$ 213	0.01
1996	1997	1,774,186	1,771,654	99.9	2,532	0.14
1997	1998	1,873,385	1,926,305	102.8	(52,920)	-2.82
1998	1999	2,098,213	2,097,328	100.0	885	0.04
1999	2000	2,280,130	2,276,679	99.8	3,451	0.15
2000	2001	2,350,739	2,504,053	106.5	(153,314)	-6.52
2001	2002	2,870,821	2,865,875	99.8	4,946	0.17
2002	2003	3,031,293	3,028,404	99.9	2,889	0.10
2003	2004	3,613,946	3,611,296	99.9	2,652	0.07
2004	2005	3,975,083	N/A	N/A	N/A	N/A

Notes: Total taxes collected includes back taxes, taxpayer refunds, interest, etc.  
Road and Bridge is excluded from total taxes collected

Source: Village records



Village of Algonquin, Illinois

Equalized Assessed Valuation of Taxable Property  
Last Ten Levy Years

Levy Year	Total		Ratio of Total Assessed Value to Total Estimated Actual Value
	Equalized Assessed Value	Estimated Actual Value	
1995	\$ 308,854,325	\$ 926,562,975	33.33%
1996	356,504,156	1,069,512,468	33.33
1997	419,401,278	1,258,203,834	33.33
1998	429,661,002	1,288,983,006	33.33
1999	463,158,850	1,389,476,550	33.33
2000	513,584,881	1,540,754,643	33.33
2001	578,127,467	1,734,382,401	33.33
2002	658,305,942	1,974,917,826	33.33
2003	747,072,297	2,241,216,891	33.33
2004	834,437,331	2,503,311,993	33.33

Total assessed value based upon approximately 33-1/3% of estimated actual value.

Source: Village records

# Village of Algonquin, Illinois

## Property Tax Rates - Direct and Overlapping Governments Per \$100 of Equalized Assessed Valuation Last Ten Levy Years

Levy Year	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Tax Rates *										
Village of Algonquin	\$ 0.4765	\$ 0.4837	\$ 0.4559	\$ 0.5017	\$ 0.4888	\$ 0.4942	\$ 0.4883	\$ 0.4864	\$ 0.4981	\$ 0.5158
Fire Districts (4)	2.1202	2.0966	2.1951	2.0794	2.1062	1.8356	1.7775	1.7919	1.5713	1.6846
Kane County	0.3467	0.3578	0.4292	0.4529	0.4677	0.4772	0.4912	0.4972	0.4975	0.4988
Kane County Forest Preserve	0.1432	0.1270	0.1395	0.1520	0.1634	0.1985	0.1171	0.1183	0.1192	0.1204
McHenry County	0.7346	0.7153	0.6725	0.6380	0.6440	0.6482	0.6531	0.6628	0.6686	0.6936
McHenry County Conservation	0.1580	0.1663	0.1734	0.1808	0.1254	0.1282	0.1309	0.1323	0.1360	0.1420
Park Districts (3)	0.7577	0.7603	0.6960	0.7403	0.8198	0.7623	0.7728	0.7940	0.8020	0.8300
Public Libraries (3)	0.7104	0.7199	0.7484	0.7244	0.7017	0.7116	0.7004	0.6438	0.6406	0.6522
Road & Bridge (3)	0.2439	0.2587	0.2769	0.2898	0.3008	0.3162	0.3310	0.3447	0.3646	0.3919
Schools (4)	8.9773	8.6983	9.1332	9.5809	9.3110	13.2503	13.3086	13.3304	13.6182	9.3917
Townships (3)	0.2899	0.3051	0.3217	0.3341	0.3425	0.3425	0.3485	0.3561	0.4133	0.2504
Total tax rate	\$ 14.9584	\$ 14.6890	\$ 15.2418	\$ 15.6743	\$ 15.4713	\$ 19.1648	\$ 19.1194	\$ 19.1579	\$ 19.3294	\$ 15.1714

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

Data Source: Office of the County Clerks

Village of Algonquin, Illinois

Schedule of Direct and Overlapping Bonded Debt  
April 30, 2005

	Gross Bonded Debt	Percentage of Debt Applicable to Village	Village's Share of Debt
Village of Algonquin	\$ 7,202,882	100.00 %	\$ 7,202,882
Overlapping			
Kane County	6,875,000	1.79	123,063
McHenry County Conservative District	88,520,900	8.20	7,258,714
Kane County Forest Preserve	153,440,000	1.79	2,746,576
School District 300	198,646,387	31.80	63,169,551
School District 158	97,877,697	14.44	14,133,539
College District 509	78,313,700	8.06	6,312,084
College District 528	2,265,000	11.91	269,762
Dundee Township Park District	10,921,660	13.85	1,512,650
Huntley Park District	24,436,000	11.50	2,810,140
Barrington Library District	750,000	6.51	48,825
Dundee Township	31,755,000	13.86	4,401,243
Algonquin Library	7,275,000	58.43	4,250,783
Huntley Library	4,255,000	11.42	485,921
	<u>705,331,344</u>		<u>107,522,850</u>
Total direct and overlapping debt	<u>\$ 712,534,226</u>		<u>\$ 114,725,732</u>

Source:

McHenry County  
Kane County

Village of Algonquin, Illinois

Ratio of Net General Obligation Bonded Debt to Equalized Assessed  
Valuation and Net General Obligation Bonded Debt Per Capita  
Last Ten Fiscal Years

Levy Year/ Fiscal Year Ended	Population		Equalized Assessed Valuation	Gross General Obligation Debt	Debt Service Monies Available	Net General Obligation Debt	Ratio of Net General Obligation Debt to Equalized Assessed Valuation	Net General Obligation Debt Per Capita
1995	16,872	(6)	\$ 308,854,325	\$ 4,365,000	\$ 477,201	\$ 3,887,799	1.26%	\$ 230.43
1996	19,007	(2)	356,504,156	4,335,000	468,717	3,866,283	1.08	203.41
1997	20,211	(6)	419,401,278	4,255,000	493,034	3,761,966	0.90	186.13
1998	21,415	(3)	429,661,002	4,130,000	484,695	3,645,305	0.85	170.22
1999	22,346	(6)	463,158,850	4,080,000	466,763	3,613,237	0.78	161.70
2000	23,276	(4)	513,584,881	3,820,000	498,407	3,321,593	0.65	142.70
2001	24,650	(6)	578,127,467	3,520,000	537,517	2,982,483	0.52	121.00
2002	26,955	(6)	658,305,942	8,078,794	582,010	7,496,784	1.14	278.13
*2003	27,885	(5)	747,072,297	7,807,243	595,901	7,211,342	0.97	258.61
2004	29,600	(6)	834,437,331	7,517,542	489,627	7,027,915	0.84	237.43

(1) 1993 Special Census

(2) 1996 Special Census

(3) 1998 Special Census

(4) 2000 Census

(5) 2003 Special Census

(6) Estimate

\* Most recent available

## Village of Algonquin, Illinois

### Legal Debt Margin

April 30, 2005

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The Village is a home-rule municipality. To date the General Assembly has set no limits for home-rule municipalities.

Article VII, Section 6(k) of the Illinois Constitution 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 an 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."

Village of Algonquin, Illinois

Ratio of Annual Debt Service Expenditures for General Obligation Debt  
To Total General Governmental Expenditures  
Last Ten Fiscal Years

Fiscal Year Ended	Principal	Interest	Total Debt Service	Total General Governmental Expenditures (1)	Ratio of Debt Service to General Governmental Expenditures
1996	\$ 32,311	\$ 298,024	\$ 330,335	\$ 8,762,105	3.77 %
1997	80,000	268,575	348,575	11,059,567	3.15
1998	125,000	264,363	389,363	8,629,373	4.51
1999	150,000	365,180	515,180	8,784,406	5.86
2000	260,000	229,175	489,175	10,716,684	4.56
2001	300,000	215,202	515,202	10,990,620	4.69
2002	380,000	152,403	532,403	15,176,998	3.51
2003	365,000	297,446	662,446	22,709,693	2.92
2004	385,000	271,768	656,768	20,472,748	3.21
2005	415,000	261,888	676,888	18,116,197	3.74

(1) Includes General, Special Revenue, Debt Service and Capital Projects Funds.

Note: This table includes debt service and general obligation debt of the primary government only.

Data Sources

Audited Financial Statements

# Village of Algonquin, Illinois

## Demographic Statistics Last Ten Fiscal Years

Fiscal Year Ended	Population	(5)	(6) School Enrollment	Unemployment Percentage	
1995	16,872	(5)	3,959	N/A	(8)
1996	19,007	(1)	5,078	N/A	(8)
1997	20,211	(5)	5,345	N/A	(8)
1998	21,415	(2)	5,690	N/A	(8)
1999	22,346	(5)	5,795	N/A	(8)
2000	23,276	(3)	5,968	2.1%	(7)
2001	24,650	(5)	5,757	3.8	(7)
2002	26,955	(5)	6,066	5.6	(7)
2003	27,885	(4)	5,989	5.9	(7)
2004	29,600	(4)	6,064	4.8	(7)

Note: 2005 information is not yet available

### Source:

(1) 1996 Special Census

(2) 1998 Special Census

(3) 2000 Census

(4) 2003 Special Census

(5) Estimate

(6) School District 300

(7) Illinois Department of Employment Security

(8) Not Available - Population for Village was under the limit for tracking by the state

Village of Algonquin, Illinois

Property Value and New Construction Permits  
Last Ten Levy Years

Levy Year	Industrial	Commercial	Residential	Mineral	Farm	Rail	Total	Commercial and industrial		Residential	
								Number of permits	Value (1)	Number of permits	Value (1)
1995	\$ 6,765,559	\$ 27,240,035	\$ 273,290,886	\$ 1,012,346	\$ 543,603	\$ 1,896	\$ 308,854,325	11	\$ 5,939,891	412	\$ 49,765,262
1996	6,958,992	29,893,969	317,731,049	1,055,774	862,396	1,976	356,504,156	7	5,755,000	385	58,265,415
1997	6,979,204	31,904,285	378,758,062	1,080,687	677,018	2,022	419,401,278	6	279,000	295	49,039,294
1998	7,057,917	35,818,067	385,076,822	1,109,161	596,979	2,056	429,661,002	12	3,235,000	336	43,758,279
1999	7,057,714	42,123,208	412,238,060	1,109,161	628,651	2,056	463,158,850	9	6,033,910	441	65,710,113
2000	7,442,312	51,208,983	452,961,962	1,340,229	629,293	2,102	513,584,881	6	4,225,000	376	56,455,123
2001	7,824,176	62,111,310	506,639,288	1,204,542	345,975	2,176	578,127,467	20	13,573,617	596	82,626,545
2002	8,270,997	70,582,133	577,484,565	1,438,449	527,496	2,302	658,305,942	34	31,848,464	473	70,479,780
2003	8,849,966	82,214,307	654,009,810	1,467,333	528,419	2,462	747,072,297	38	38,050,439	243	34,117,797
2004	9,917,640	108,993,553	713,442,229	1,576,649	504,615	2,645	834,437,331	29	29,507,013	286	44,028,568

(1) Total valuation of permits issued



Village of Algonquin, Illinois

Principal Taxpayers  
Fifteen of the Largest Taxpayers  
April 30, 2005

Taxpayers	Description of Facility	2004 Equalized Assessed Valuation	Percentage of Total Assessed Valuation
Woods creek Shopping Center	Shopping Facility	\$ 7,752,396	0.93 %
Meijer	Shopping Facility	5,184,463	0.62
Algonquin Commons	Shopping Facility	4,092,499	0.49
Target	Shopping Facility	3,983,003	0.48
River Pointe Shopping Center	Shopping Facility	3,966,659	0.48
Lifetime Fitness	Fitness Center	3,832,384	0.46
Walmart	Shopping Facility	3,691,297	0.44
Home Depot	Shopping Facility	3,092,940	0.37
Algonquin Town Center	Shopping Facility	2,849,662	0.34
Golf Club of Illinois	Golf Course	2,173,217	0.26
Cub Foods	Shopping Facility	1,914,207	0.23
Eastgate Manor	Residential Property	1,658,554	0.20
Harnish Office Complex	Office Complex	1,522,392	0.18
Sherman Health Systems	Health Care Facility	1,500,128	0.18
Brunswick Zone	Recreation Facility	1,432,806	0.17
		<u>\$ 48,646,607</u>	<u>5.83 %</u>

Note: Every reasonable effort has been made to determine and report the largest taxpayers and to include all taxable property of those taxpayers listed.

## Village of Algonquin, Illinois

### Miscellaneous Statistics

April 30, 2005

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Date of Incorporation	1890
Form of Government	Village Board - President and Six Trustees
Area in Square Miles	12
Registered Voters	17,453
McHenry County	13,260
Kane County	4,193
Schools Located in Algonquin	6
Elementary	3
Middle	1
High school	2
Community Libraries	2

### Population

1995	16,872 (E)
1996	19,007 (A)
1997	20,211 (E)
1998	21,415 (A)
1999	22,346 (E)
2000	23,276 (A)
2001	24,650 (E)
2002	26,955 (E)
2003	27,885 (A)
2004	29,600 (E)

(A) Actual    (E) Estimate

### Municipal Services and Facilities

Number of Full-Time Employees	140
Miles of Streets	127
Police Protection	
Number of Police Officers	47
Number of Telecommunicators	8
Number of Crossing Guards	4
Number of Squad Cars	21

Village of Algonquin, Illinois

Miscellaneous Statistics (Continued)

April 30, 2005

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Number of Firefighters, Full-time	38
Number of Stations	2
Number of Hydrants	1,660
I.S.O. Rating	4
Recreation Facilities	
Number of Park Sites	19
Number of Playgrounds	16
Developed Park Area in Acres	212.5
Undeveloped Park Area in Acres	193.75
Open Space/Detention Acreage	126
Swimming Pools	1
Senior Bus	1
Municipal Water and Sanitary Sewer Utility	
Population Serviced (est)	29,600
Number of Metered Accounts	10,163
Miles of Water Mains	150
Rated Daily Pumping Capacity, Gallons	9.2 million
Average Daily Pumpage, Gallons	2.71
Miles of Sanitary Sewer	127
Wastewater Treatment Facility Design Average	3.0 million
Number of Sanitary Sewer Lift Stations	10

Date Source

Village's records