

Village of Algonquin, Illinois

Comprehensive Annual Financial Report
Year Ended April 30, 2010

INTRODUCTORY SECTION

Village of Algonquin, Illinois

Comprehensive Annual Financial Report
Year Ended April 30, 2010

Issued by the Finance Department

John R. Walde
Finance Director

Susan Skillman
Assistant Finance Director

Village of Algonquin, Illinois

Comprehensive Annual Financial Report

Year Ended April 30, 2010

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Village of Algonquin, Illinois
Principal Officials

April 30, 2010

Legislative

Village Board of Trustees

John C. Schmitt, Village President

Brian Dianis

Robert M. Smith

Jerry Glogowski

John Spella

Debby Sosine

Jim A. Steigert

Gerald S. Kautz, Clerk

Appointed Officials

William J. Ganek, Village Manager

John R. Walde, Treasurer



Village of Algonquin

The Gem of the Fox River Valley

September 24, 2010

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, 2010, 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 2010 CAFR reflects the seventh 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, 2010, 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, 2010, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Village of Algonquin

The Village of Algonquin, a home rule community as defined by the Illinois Constitution, was incorporated in 1890 and is located approximately 45 miles northwest of the City of Chicago in McHenry and Kane Counties. Algonquin has a land area of 12 square miles and a population of 30,482 as certified in the 2007 partial census. The Village also has the power by state statute to extend its corporate limits by annexation, which is done periodically when deemed appropriate, by the Village Board.

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

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

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

Major Initiatives and Changes in Financial Policies

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

Examples of some of these projects are as follows:

The Village has informally planned to increase the General Fund cash reserves from three months of operating expenses to six months. At the end of the fiscal year, the cash reserves were 4.3 months of operating expenses which will improve the ability of the Village to withstand downturns in the economy. The Village recently initiated another General Fund cash reserve in the form of funds to smooth the periodic impact of purchasing high cost vehicles and equipment (other than squad cars). The reserved amount at year end was \$.6 million.

The Village completed its first full year of the municipal court session at Village Hall. Court is held on a monthly basis, and is presided over by a third party administrative law judge. Cases heard before the court includes parking tickets, property maintenance, red light, and other municipal code violations. With assistance from revenues from the traffic light enforcement program, the revenues collected by court fines and tickets cover the costs associated with operating the court. The goal of having a municipal court is to have a more convenient location for residents, reduce travel time for staff (who no longer have to travel to county courthouses for all of their cases), and increase compliance with local ordinances. In 2009, the municipal court heard 444 cases. Additionally, the presence of the local court system has yielded a 93% compliance rate for property maintenance violations in the Village.

As a result of declining revenues due to the recession, staff diligently managed the budget and ultimately made expenditure reductions in excess of \$2.0 million, or 11.0% of the budgeted expenditures.

New Initiatives for 2010-2011

The Village communicates with the public in a variety of fashions: the quarterly newsletter, the recreation brochure, the annual report/calendar, press releases, flyers, an emergency call out system, and the web site. This year, we have added two new forms of communication: e-News and a briefing specifically for the Village Board. The e-News is a subscriber-based electronic newsletter, with over 600 subscribers, that is sent out to all subscribers via e-mail on a monthly basis. It highlights upcoming events and other timely municipal news. The briefing for the Village Board is given to the Board members prior to each meeting providing an overview of current staff projects, legislative updates, and other news from governmental agencies.

In order to foster collaboration amongst departments, avoid duplication of efforts, and explore and promote the Village's long-time commitment to environmentally friendly initiatives, activities, and programs, the Village formed its ECO Committee. ECO-ALGONQUIN is designed to bring together these wonderful programs and ideas to ENGAGE, CONSERVE, and OPTIMIZE our resources to work toward building a more sustainable Algonquin. Since its formation, the Committee has led multi-departmental initiatives such as: development of an Environmental Action Plan, an annual electronic recycling event, a bicycle rack art contest, energy audits on municipal facilities, and has recently secured an Energy Efficiency Conservation Block Grant to reduce heating costs at Historic Village Hall.

In early 2009, Village staff participated in training provided by a performance measures expert from the International City/County Management Association (ICMA). Each Village division has developed performance measures that strategically link to overall Village guiding principles to monitor operations. Management meets on a quarterly basis to review progress towards set targets and identify strategies to better perform core services.

The Police Department is expected to receive accreditation from Illinois Law Enforcement Accreditation Program in 2011.

The Village has implemented a Citizen Request Management (CRM) system that allows citizens and staff to request Village services on-line and track progress towards completion.

Factors Affecting Financial Condition

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

Local Economy

The Village's experience in the local economy indicates that unemployment in Algonquin continues at a high level with a June 2010 report of 8.9% which was less than the same period last year (9.8%) but higher than June 2008 which was 6.1%. On the other hand, Algonquin's unemployment rate continues to be lower than that of the State of Illinois and McHenry County, 10.6% and 9.6%, respectively, for the same period. The statewide economy continues to unfavorably impact Village finances as a major revenue source, state shared income tax, experienced a 12.7% decrease in the per capita distribution rate, continuing the FY09 decline of 9.3%. The state also continued the slow distribution of allocations (five months in arrears as of April 2010) which unfavorably impacts our cash position and investment income.

The major industry in the Village is retail sales and state shared sales tax revenue is the Village's primary revenue source. This year the shared sales tax collections resulted in a 1.2% decrease from the prior year due to the softening economy. Commercial growth, however, continued with an increase of 6.3% in assessed value while the total assessed value in the village increased only 0.2%.

Debt Administration

As of April 30, 2010, the Village had five outstanding debt issues, all of which were general obligation bonds. There were no new bonds issued this year. Outstanding were \$18,050,044 for general obligation bonds. Continuing its practice, the Village abated \$1,885,180 of the 2009 Tax Levy for debt service attributable to four (4) of the general obligation bonds. Under current state statutes, the Village has no legal debt limit on general obligation debt.

Long-Term Financial Planning

Bond Series 2005B had been issued as a refunding of Series 2002B with proceeds escrowed and paying interest costs until 2012 when the debt will be called and retired. In other financial action, the Village continues to use the Home Rule Sales Tax of .75% for infrastructure and capital purposes. Those funds together with existing dedicated revenues strengthen the Village preference of a "pay as you go" philosophy in financing capital projects. The capital improvement program for street and infrastructure improvements is managed from five capital project funds (Motor Fuel Tax, Street Improvement, Park Fund, Water & Sewer Improvement and Construction, and Village Construction). With the exception of bonds issued for the financing of the Wastewater Treatment Plant (2005) and Public Works Facility (2002), the Village has been able to follow the "pay as you go" financing policy for the past decade. Debt service for the 2002 bonds is being financed via the use of sales tax revenues. Water & Sewer expansion has been 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, 2010, were 11.2% reflecting recovery from the 2008 turmoil.

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

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, 2010, in funding 49.8% of the actuarial accrued liabilities. The actuarial valuation as stated in this report for FY2010, determined that the net contribution due from the Village is \$933,392. The remaining unfunded amount is being systematically funded over 23 years as part of the annual required contribution calculated by the actuary.

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

Additional information on the Village's pension arrangements can be found in Note 8 in the financial statements.

Awards & Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Algonquin for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended April 30, 2009. This was the sixth 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 accepted accounting principles and applicable legal requirements.

The Village also received the GFOA's Award for Distinguished Budget Presentation for its 2010 budget document. This was the sixth year the Village has received this prestigious award. In order to receive this award, a government must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

A Certificate of Achievement is valid for a period of one year only. We believe that the 2010 CAFR continues to meet the Certificate of Achievement Program requirements and we are submitting the report to the GFOA to determine its eligibility for another award.

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

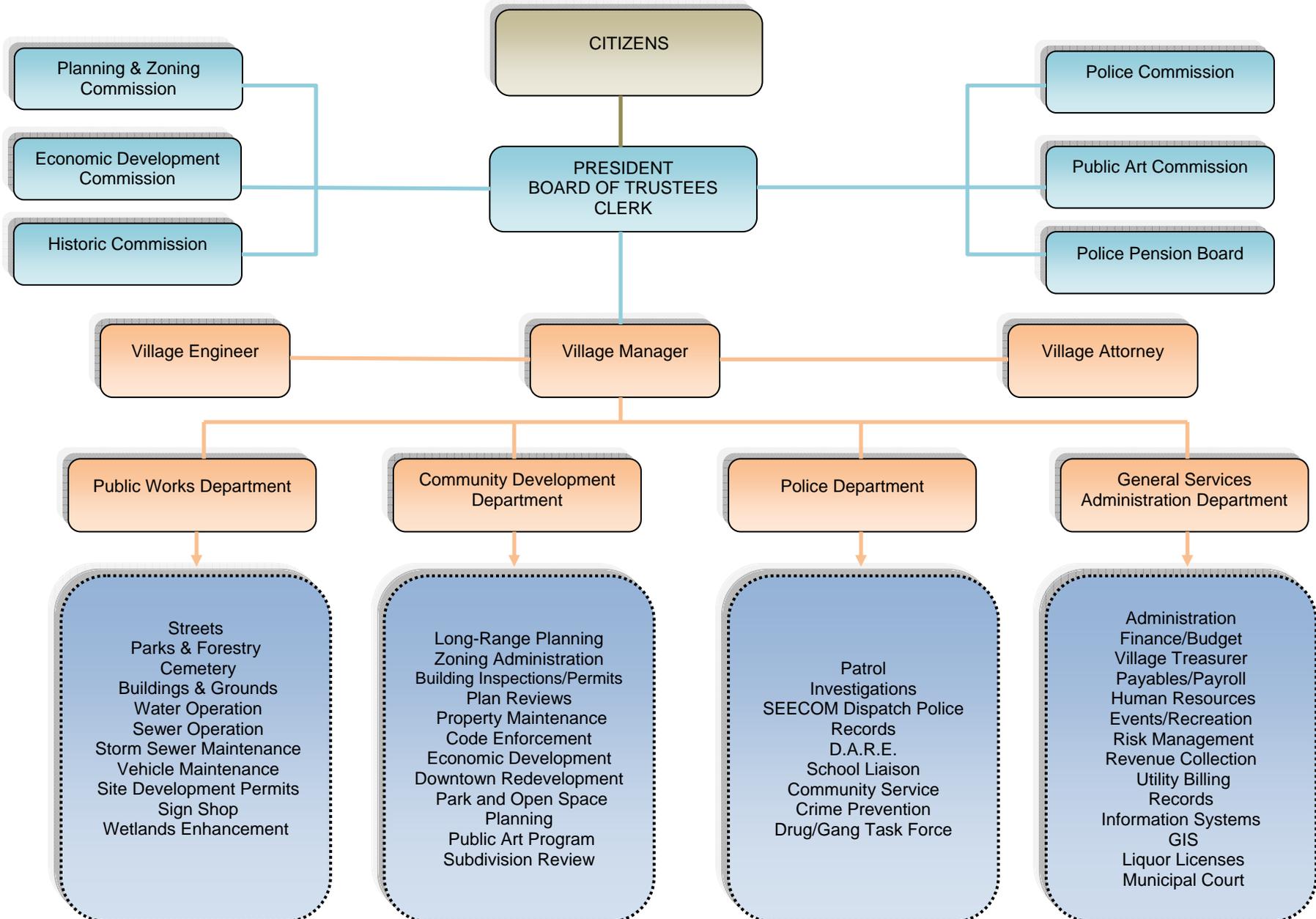
In closing, I would like to thank the Village President, Board of Trustees and Village Manager for their unfailing support for maintaining the highest standards of professionalism in the management of the Village of Algonquin's Finances.

Respectfully submitted,


John R. Walde
Finance Director



VILLAGE OF ALGONQUIN 2010-2011 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, 2009

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



A stylized, handwritten signature in black ink, consisting of several loops and a long horizontal stroke.

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director

INDEPENDENT AUDITOR'S REPORT



Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Algonquin, Illinois, as of and for the year ended April 30, 2010, 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, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The required supplementary information which includes management's discussion and analysis (pages 3 – 13), budgetary comparison information (pages 54-55) and pension and other post-employment benefit related information (pages 56 - 58) is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

McGladrey & Pullen, LLP

Schaumburg, Illinois
September 24, 2010

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

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

Financial Highlights

- The Village's net assets decreased by \$10.6 million (or 3.9%) during the fiscal year ending April 30, 2010 (FY10). The governmental net assets decreased by \$1.9 million (or 0.1% from FY09) and the business-type activities net assets decreased by \$8.7 million (or 11.1% from FY09).
- The Village's total change of net assets compared to FY09 decreased by \$7.5 million with the general governmental activities change in net assets increased by \$2.6 million and the business-type activities change in net assets decreased by \$10.1 million.
- The governmental activities revenue decreased by \$2.2 million (or 8.7%). This was due to a decrease of \$2.3 million in capital grants/contributions, \$.1 million in operating grants/contributions, \$.2 million in charges for services, and \$.6 million in other revenues. These decreases were offset with an increase of \$.3 million in property tax revenues, and \$.7 million in other tax revenues. The expenses decreased by \$4.8 million (or 16.2%) due mainly to a decrease of \$4.9 million in Public Works expenses related to a loss on capital asset that occurred during FY09.
- The business-type activities revenue decreased by \$2.5 million (or 24.7%). There was a decrease of \$.4 million in charges for services, \$1.0 million in capital grants/contributions, \$.8 million other taxes, and \$.3 million in other revenues.
- The total cost of all Village programs increased by \$2.8 million (or 6.8%).

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

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

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

Fund Financial Statements

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

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

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

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

Infrastructure Assets

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

GOVERNMENT-WIDE STATEMENTS

Statement of Net Assets

The Village's combined net assets decreased by \$10.6 million from FY09 – decreasing from \$271.5 million to \$260.9 million. The following analysis will look at net assets and net expenses of the governmental and business-type activities separately. The total net assets for the governmental activities decreased \$1.9 million from \$192.9 million to \$191.0 million. The business-type activities net assets decreased by \$8.7 million from \$78.6 million to \$69.9 million. Table 1 reflects the condensed Statement of Net Assets compared to FY09. Table 2 will focus on the changes in net assets of the governmental and business-type activities. A detailed analysis of the changes can be found in the section for Current Year Impacts on page 6.

Table 1
Statement of Net Assets
As of April 30, 2010 and 2009
(in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 25.8	\$ 25.7	\$ 6.6	\$ 5.9	\$ 32.4	\$ 31.6
Capital assets	181.1	184.0	73.5	83.5	254.6	267.5
Total assets	\$ 206.9	\$ 209.7	\$ 80.1	\$ 89.4	\$ 287.0	\$ 299.1
Long-term liabilities	8.2	8.5	9.1	9.6	17.3	18.1
Other liabilities	7.7	8.3	1.1	1.2	8.8	9.5
Total liabilities	\$ 15.9	\$ 16.8	\$ 10.2	\$ 10.8	\$ 26.1	\$ 27.6
Net Assets:						
Invested in capital assets, net of debt	\$ 176.6	\$ 179.0	\$ 63.9	\$ 73.5	\$ 240.5	\$ 252.5
Restricted	7.4	6.3	1.0	0.4	8.4	6.7
Unrestricted	7.0	7.6	5.0	4.7	12.0	12.3
Total net assets	\$ 191.0	\$ 192.9	\$ 69.9	\$ 78.6	\$ 260.9	\$ 271.5

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

Normal Impacts

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

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

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

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

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

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

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

Current Year Impacts

The Village's \$10.6 million decrease of combined net assets (which is the Village's bottom line) was the result of the governmental activities net assets decreasing by \$1.9 million and the business-type activities decreasing by \$8.7 million.

The governmental activities total assets decreased by \$2.8 million and the governmental activities total liabilities decreased \$.9 million. The total assets decrease of \$2.8 million was a result of a decrease of \$2.9 million of capital assets which was offset by an increase of \$.1 million in current and other assets. The decrease in capital assets of \$2.9 million was due mainly to a decrease of \$2.0 million in land for adjustments, \$.3 million in construction in progress, \$.3 million in buildings, \$.5 million in vehicles and equipment, and \$.4 million in other improvements. This was offset by an increase in streets, storm and bridge improvements of \$.6 million.

There was a decrease in governmental activities total liabilities of \$.9 million from \$16.8 to \$15.9 million. The total liabilities decrease was a result of a decrease in current liabilities of \$.6 million and a decrease in total noncurrent liabilities of \$.3 million. The decrease in current liabilities was mainly due to a \$.5 decrease in accounts payable along with a \$.1 million decrease in other deferred revenue. The decrease in noncurrent liabilities of \$.3 million is due to a reduction in noncurrent general obligation bonds payable

Village of Algonquin, Illinois
Management's Discussion and Analysis
April 30, 2010

The net assets of the business-type activities decreased by \$8.7 million from \$78.6 to \$69.9 million. Total assets of the business-type activities decreased by \$9.3 million from \$89.4 to \$80.1 million. The total assets decrease of \$9.3 million was a result of a decrease in capital assets of \$10.0 million and offset by an increase in current assets of \$.7 million. The capital asset decrease in the business-type activities occurred mainly as a result of a decrease in land of \$7.2 million and a decrease in total capital assets being depreciated of \$2.8 million.

Total liabilities of the business-type activities decreased by \$.6 million from \$10.8 million to \$10.2 million. Accounts payable decreased \$.2 million from FY09 and long term liabilities decreased by \$.4 million due to the decrease of G.O. Bonds Payable for the wastewater treatment plant expansion.

Changes in Net Assets

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

Table 2
Changes in Net Assets
For the Fiscal Years Ended April 30, 2010 and 2009
(in millions)

Revenue	Governmental Activities		Business-Type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Program Revenues						
Charges for Service	\$ 2.0	\$ 2.2	\$ 5.2	\$ 5.6	\$ 7.2	\$ 7.8
Operating Grants/Contributions	0.9	1.0	-	-	0.9	1.0
Capital Grants/Contributions	1.5	3.8	-	1.0	1.5	4.8
General Revenue						
Property	5.9	5.6	-	-	5.9	5.6
Other taxes	12.5	11.8	2.3	3.1	14.8	14.9
Other	0.2	0.8	0.1	0.4	0.3	1.2
Total Revenue	23.0	25.2	7.6	10.1	30.6	35.3
Expenses						
Governmental Activities						
General Government	4.5	4.6	-	-	4.5	4.6
Public Safety	7.9	7.7	-	-	7.9	7.7
Public Works	12.1	17.0	-	-	12.1	17.0
Interest	0.4	0.4	-	-	0.4	0.4
Business Type						
Water and Sewer	-	-	16.3	8.7	16.3	8.7
Total Expenses	24.9	29.7	16.3	8.7	41.2	38.4
Change in Net Assets	(1.9)	(4.5)	(8.7)	1.4	(10.6)	(3.1)
Net assets - beginning	192.9	197.4	78.6	77.2	271.5	274.6
Net assets - ending	\$ 191.0	\$ 192.9	\$ 69.9	\$ 78.6	\$ 260.9	\$ 271.5

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 60.7% of the Village's operating costs.

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

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

Governmental Activities

Revenue:

Total revenues for Governmental Activities decreased \$2.2 million from \$25.2 million to \$23.0 million. A decrease of \$2.3 million in capital grants/contributions, charges for services of \$.2 million, operating grants/contributions of \$.1 million, and other revenues of \$.6 million attributed to the decrease in total revenues. These decreases were offset with an increase of \$.3 million in property taxes and \$.7 million in other taxes.

The Village has a diversified revenue structure and depends on several key revenue sources to help pay for the services provided. The Village increased its general fund property tax collections by \$.3 million or 6.3% because

of the Village's slightly higher equalized assessed valuation. The Village attempts to maintain its property tax rate and capture new revenues from growth. The Village's property tax rate was .485 in 2008 and .484 in 2009.

In the general fund, state shared income and use tax revenues declined 12.7% from FY09 to FY10 due to the deterioration of the state's economy and higher unemployment figures. Sales tax declined 1.6%.

General fund building permits decreased \$.6 million due to the deterioration of the economy and lack of building.

Capital contributions decreased by \$2.3 million from \$3.8 million to \$1.5 million. This was due to a decrease in grant and developer donations during FY10, again reflecting the softening of the economy.

Expenses:

The Village's governmental activities total expenses decreased \$4.8 million for FY 10.

The Village's General Government function expenses decreased \$.1 million from \$4.6 million to \$4.5 million.

Public Safety expenses increased \$.2 million from \$7.7 million to \$7.9 million. The Village had a \$.1 million increase in personnel, and a \$.1 million increase in contractual services.

Public Works expenses decreased \$4.9 million from \$17.0 million to \$12.1 million. During FY10 there was a \$2.6 million dollar loss on disposal of capital assets which decreased from \$8.6 million in FY09, a decrease of \$6.0 million. There was a decrease in the Park Fund expenses of \$1.1 million, MFT Fund of \$.6 million, and General Fund of \$.4 million due to budget constraints pertaining to capital projects in those funds. Street Improvement expenses increased \$2.4 million due to an increase in street rehabilitation projects.

Business-type Activities

Revenue:

Total revenues for Business-type Activities decreased \$2.5 million from \$10.1 million to \$7.6 million. Charges for services decreased by \$.4 million of which connection fees decreased \$.8 million and water and sewer revenues increased \$.4 million. Capital grants/contributions decreased \$1.0 million due to a decrease in developer donations. Other taxes decreased \$.8 million due to the decrease in home rule sales tax. Other revenues decreased \$.3 million due to a decrease in miscellaneous revenues for insurance proceeds.

Expenses:

The Village's Business-type Activities total expenses increased \$7.6 million from \$8.7 million to \$16.3 million. Water and sewer utility operating expenses increased by \$.4 million. Depreciation expense remained constant. There was an increase for loss on disposal of capital assets of \$7.2 million due to an adjustment to land records during FY10.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Governmental Funds

At April 30, 2010, the governmental funds (as presented on the balance sheet on page 18) reported a combined fund balance of \$18.6 million or an increase of 4.3% from \$17.8 million at the beginning of the year. Of the total fund balance, \$10.5 million is unreserved indicating availability for continuing Village services. The net increase in the Fund Balance of Governmental Funds was due to an increase of \$.2 million in total assets and a decrease of \$.6 million in total liabilities.

The increase of \$.2 million in total assets consisted of a \$.4 million increase in other receivables, a \$.3 million increase in other taxes, a \$.1 million increase in investments, and a \$.1 million increase in due from other funds and prepaid items. These increases were offset by a \$.7 decrease in cash and cash equivalents. There was a \$.6 million decrease in total liabilities due to a decrease in accounts payable and deferred revenues of \$.6 million.

General Fund Budgetary Highlights

Below is a table that reflects the budget and the actual revenues and expenditures for the General Fund. More information can be found on the schedule of revenues, expenditures and changes in fund balance – budget and actual on page 54. Actual spending was \$2.1 million less than the budget which was due to actual expenses less than actual of \$.5 million in general government, \$.7 million in public safety, \$.2 million in public works and \$.7 million in capital outlay.

Table 3
General Fund Budgetary Highlights
(in millions)

General Fund	Original Budget	Amended Budget	Actual
Revenues			
Taxes	\$ 18.487	\$ 18.487	\$ 17.646
Intergovernmental	0.102	0.185	0.159
Other	0.168	0.168	0.072
Total	\$ 18.757	\$ 18.840	\$ 17.877
Expenditures and Transfers			
Expenditures	\$ 17.993	\$ 18.077	\$ 16.069
Transfers	0.763	0.763	0.678
Total	18.756	18.840	16.747
Change in Fund Balance	\$ 0.000	\$ -	\$ 1.130

Capital Assets

At the end of fiscal year 2010, the Village had a combined total of capital assets of \$254.58 million invested in a broad range of capital assets including land, buildings, vehicles, streets, bridges, storm sewers, water mains and sanitary sewer lines. (See Table 4 below.) This amount represents a net decrease (including additions and deletions) of \$12.9 million.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Land	\$ 93.67	\$ 95.63	\$ 3.64	\$ 10.87	\$ 97.31	\$ 106.50
Construction in Progress	1.30	1.63	0.41	0.32	1.71	1.95
Buildings	12.50	12.82	14.38	14.73	26.88	27.55
Vehicles and Equipment	1.98	2.44	0.25	0.36	2.23	2.80
Improvements other than Building	8.69	9.09	-	-	8.69	9.09
Streets/Storm Sewers/ Bridges	62.98	62.39	-	-	62.98	62.39
Water and Sewer	-	-	54.77	57.19	54.77	57.19
Total	\$ 181.12	\$ 184.00	\$ 73.45	\$ 83.47	\$ 254.57	\$ 267.47

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

Table 5
Change in Capital Assets
(in millions)

	Governmental Activities	Business-Type Activities	Total
Beginning Balance	\$ 184.00	\$ 83.47	\$ 267.47
Additions			
Depreciable	3.54	0.71	4.25
Non-Depreciation	0.43	-	0.43
Construction in Progress	0.95	0.08	1.03
Retirements			
Depreciable	(0.61)	(0.04)	(0.65)
Non-Depreciation	(2.39)	(7.22)	(9.61)
Construction in Progress	(1.28)	-	(1.28)
Depreciation	(3.96)	(3.59)	(7.55)
Retirement	0.44	0.04	0.48
Ending Balance	\$ 181.12	\$ 73.45	\$ 254.57

The Governmental Activities net decrease of \$2.9 million in net Capital Assets was due mainly to a net decrease noted in land (\$2.0 million); construction in progress (\$.3 million); buildings (\$.3 million); vehicles/equipment (\$.5 million); and other improvements (\$.4 million). This was offset with an increase in streets and storm sewers (\$.6 million).

The Business-type Activities net decrease of \$10.0 million in net Capital Assets was due mainly to a net decrease noted in land (\$7.2 million); buildings (\$.4 million); vehicles and equipment (\$.1 million); and water and sewer improvements (\$2.4 million). This was offset with an increase in construction in progress (\$.1 million).

Debt Outstanding

Since the mid 1990's, the Village of Algonquin has followed a financial policy of preferring a "pay-as-you-go" philosophy to funding capital projects. Exceptions to this philosophy had been bonds issued to pay for the construction of the Village Hall in 1995-1996 and the Public Works Facility in 2002-2003. In December 2005, the Village authorized Bond Series 2005A in the amount of \$9,000,000 to partially finance the expansion of Phase 6 of the Wastewater Treatment Plant. Bond Series 2005B was issued in the amount of \$2,935,000 to refund Series 2002B in 2012. The Village has established the following five funds to accumulate monies over time to systematically construct and/or replace major assets: Motor Fuel Tax, Street Improvement, Parks, Water and Sewer Improvement and Extension, and the Village Expansion Fund. The current Home Rule Sales Tax of .75% was allocated as an additional revenue source for capital and infrastructure such as the expansion of the Wastewater Treatment Plant which should assist in the "pay as you go" philosophy. Beginning in FY10, 33.3% of the Home Rule Sales Tax was allocated to the Street Improvement Fund with 66.7% remaining allocated to the Water and Sewer Improvement and Extension.

The Village currently has five general obligation bond series. A total of \$18.05 million of general obligation bonds were outstanding at April 30, 2010. Three of the bond series were issued to refund previous issues.

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

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

Economic Factors

The Village will continue to rely on sales tax and property taxes until the state economy improves and the state is able to operate a balanced budget without impairing local governments. Growth in the property taxes has continued as increases were noted in the commercial EAV, however, new retail store openings have declined from FY09. The financial condition of the State government, however, has had a negative effect on the Village of Algonquin during the past few years. State shared revenues (state income tax and use tax) had been reduced from 2000 levels on a per-capita basis until FY05. State shared allocations increased approximately 36% during the next three years, but began to soften in FY09. In FY09 and FY10, state distributions to local government have been late and distributions were five months in arrears behind at FY10. As previously mentioned, the FY10 allocations were down 12.7% from FY09. Current estimates indicate that the 2011 per-capita allocations will continue at the FY10 level.

Construction in the local housing market is very slow as indicated by declining permits for commercial and residential construction. The Village's growth in sales tax revenues, EAV, and property tax receipts was consistent in the past decade until the state and local economies began to slow in FY09. Sales tax revenues declined during FY10 by \$.1 million and property assessments have flattened while the tax receipts were even with FY09.

As previously mentioned, the Village attained Home Rule Community status based on the population of 30,482 reported in the 2007 Special Census. Among other things, the Village's property tax rates no longer have legal limits and the Village is no longer subject to the Tax Extension Limitation Act which limited the potential extensions from the tax levy requests beginning in 1991. This enables the Village to budget for a stable tax rate.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

Village of Algonquin, Illinois

Statement of Net Assets
April 30, 2010

	Governmental Activities	Business-Type Activities	Total
Assets			
Current			
Cash and cash equivalents	\$ 7,821,103	\$ 2,701,407	\$ 10,522,510
Investments	8,340,098	1,755,000	10,095,098
Receivables			
Property taxes	5,601,005	-	5,601,005
Other taxes	3,073,746	-	3,073,746
Intergovernmental	66,120	-	66,120
Accounts	-	1,217,176	1,217,176
Accrued interest	28,273	7,851	36,124
Other	697,661	-	697,661
Inventory	108,728	-	108,728
Prepaid items	77,969	22,186	100,155
Restricted assets - investments	-	920,000	920,000
Total current assets	25,814,703	6,623,620	32,438,323
Noncurrent			
Net pension asset	22,852	-	22,852
Capital assets (net of accumulated depreciation)			
Land	93,672,194	3,644,048	97,316,242
Construction in progress	1,297,981	408,453	1,706,434
Water and sewer system	-	54,772,256	54,772,256
Buildings	12,500,490	14,383,729	26,884,219
Improvements other than buildings	8,685,508	-	8,685,508
Vehicles and equipment	1,983,967	245,975	2,229,942
Streets/storm sewers/bridges	62,980,322	-	62,980,322
Total capital assets (net)	181,120,462	73,454,461	254,574,923
Total noncurrent assets	181,143,314	73,454,461	254,597,775
Total assets	\$ 206,958,017	\$ 80,078,081	\$ 287,036,098

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Net Assets - Continued
 April 30, 2010

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current			
Accounts payable	\$ 668,108	\$ 481,516	\$ 1,149,624
Accrued interest	20,118	32,423	52,541
Unearned revenue - property tax	5,601,005	-	5,601,005
Unearned revenue - other	175,778	-	175,778
Other liabilities	1,042	-	1,042
Compensated absences payable	708,829	111,968	820,797
General obligation bonds payable	500,000	455,000	955,000
Total current liabilities	7,674,880	1,080,907	8,755,787
Noncurrent			
Net other post-employment benefit obligation	58,903	-	58,903
Compensated absences payable	360,834	50,163	410,997
General obligation bonds payable, net	7,824,116	9,115,818	16,939,934
Total noncurrent liabilities	8,243,853	9,165,981	17,409,834
Total liabilities	15,918,733	10,246,888	26,165,621
Net Assets			
Invested in capital assets, net of related debt	176,607,596	63,883,643	240,491,239
Restricted for			
Donor programs	1,010,416	-	1,010,416
Cemetery purposes	250,000	-	250,000
Grant programs	1,475,848	-	1,475,848
Debt service	3,473,130	920,000	4,393,130
Other	1,166,878	-	1,166,878
Unrestricted	7,055,416	5,027,550	12,082,966
Total net assets	\$ 191,039,284	\$ 69,831,193	\$ 260,870,477

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Activities
Year Ended April 30, 2010

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 4,511,797	\$ 732,201	\$ 38,169	\$ 1,000
Public safety	7,924,602	1,223,423	38,540	-
Public works	12,154,994	21,704	894,459	1,578,772
Interest expense	395,572	-	-	-
Total governmental activities	24,986,965	1,977,328	971,168	1,579,772
Business-type activities				
Waterworks and sewerage	16,311,087	5,201,422	37,071	-
Total	\$ 41,298,052	\$ 7,178,750	\$ 1,008,239	\$ 1,579,772

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

Change in net assets

Net assets - beginning

Net assets - ending

See Notes to Financial Statements.

Net (Expense), Revenue and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (3,740,427)	\$ -	\$ (3,740,427)
(6,662,639)	-	(6,662,639)
(9,660,059)	-	(9,660,059)
(395,572)	-	(395,572)
<u>(20,458,697)</u>	<u>-</u>	<u>(20,458,697)</u>
-	(11,072,594)	(11,072,594)
<u>(20,458,697)</u>	<u>(11,072,594)</u>	<u>(31,531,291)</u>
5,939,181	-	5,939,181
53,732	-	53,732
1,149,916	2,282,512	3,432,428
947,168	-	947,168
733,672	-	733,672
78,860	-	78,860
6,400,318	-	6,400,318
2,676,478	-	2,676,478
347,681	-	347,681
215,056	51,431	266,487
13,788	-	13,788
<u>18,555,850</u>	<u>2,333,943</u>	<u>20,889,793</u>
(1,902,847)	(8,738,651)	(10,641,498)
<u>192,942,131</u>	<u>78,569,844</u>	<u>271,511,975</u>
<u>\$ 191,039,284</u>	<u>\$ 69,831,193</u>	<u>\$ 260,870,477</u>

Village of Algonquin, Illinois

Balance Sheet - Governmental Funds
April 30, 2010

	General Fund	Street Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 4,139,214	\$ 1,368,461	\$ 2,298,253	\$ 7,805,928
Investments	2,662,000	900,000	4,778,098	8,340,098
Receivables				
Property taxes	5,601,005	-	-	5,601,005
Other taxes	2,892,902	180,844	-	3,073,746
Intergovernmental	-	-	66,120	66,120
Accrued interest	7,015	3,995	17,262	28,272
Other	319,963	324,110	43,756	687,829
Due from other funds	283,800	-	-	283,800
Prepaid items	76,883	-	1,086	77,969
Total assets	\$ 15,982,782	\$ 2,777,410	\$ 7,204,575	\$ 25,964,767
Liabilities				
Accounts payable	\$ 267,088	\$ 278,066	\$ 77,383	\$ 622,537
Deferred revenues - property tax	5,601,005	-	-	5,601,005
Deferred revenues - other	630,728	100,000	116,806	847,534
Due to other funds	-	-	283,800	283,800
Other liabilities	1,041	-	-	1,041
Total liabilities	6,499,862	378,066	477,989	7,355,917
Fund Balances				
Reserved for				
Prepaid items	76,883	-	1,086	77,969
Donor program	-	-	1,010,416	1,010,416
Cemetery acquisition and perpetual care	-	-	250,000	250,000
Grant programs	-	-	1,475,848	1,475,848
Debt service	-	-	3,473,130	3,473,130
Other	743,599	423,279	-	1,166,878
Unreserved - designated	630,847	-	-	630,847
Unreserved				
General fund	8,031,591	-	-	8,031,591
Special revenue funds	-	1,976,065	386,962	2,363,027
Capital projects funds	-	-	129,144	129,144
Total fund balances	9,482,920	2,399,344	6,726,586	18,608,850
Total liabilities and fund balances	\$ 15,982,782	\$ 2,777,410	\$ 7,204,575	\$ 25,964,767

See Notes to Financial Statements.

Village of Algonquin, Illinois

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Assets
April 30, 2010

Total fund balances-governmental funds	\$ 18,608,850
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.	181,120,462
Revenues in the Statement of Activities that do not provide current financial resources are deferred in the funds.	671,756
An internal service fund is used by management to charge vehicle maintenance costs to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the Statement of Net Assets.	88,164
Some liabilities reported in the Statement of Net Assets do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds. These liabilities consist of:	
Accrued interest	(20,118)
Net other post-employment benefit obligation	(58,903)
Compensated absences	(1,069,663)
Unamortized bond discount	40,928
Net pension asset	22,852
General obligation bonds payable	<u>(8,365,044)</u>
Net assets of governmental activities	<u>\$ 191,039,284</u>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances –
 Governmental Funds
 Year Ended April 30, 2010

	General Fund	Street Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Charges for services	\$ 334,048	\$ -	\$ 129,834	\$ 463,882
Licenses and permits	339,520	-	-	339,520
Intergovernmental, grants and contributions	159,514	725,069	811,449	1,696,032
Fines, fees and forfeitures	1,132,348	-	-	1,132,348
Property taxes	5,939,181	-	-	5,939,181
Other taxes	9,901,511	2,532,687	35,104	12,469,302
Interest	48,360	13,989	152,706	215,055
Miscellaneous	23,266	-	32,100	55,366
Total revenues	17,877,748	3,271,745	1,161,193	22,310,686
Expenditures				
Current				
General government	3,788,203	-	242,332	4,030,535
Public safety	7,730,736	-	-	7,730,736
Public works	4,397,475	1,070,895	630,488	6,098,858
Debt service				
Principal	-	-	465,000	465,000
Interest and fiscal charges	-	-	262,865	262,865
Capital outlay	152,641	2,672,984	48,514	2,874,139
Total expenditures	16,069,055	3,743,879	1,649,199	21,462,133
Excess (deficiency) of revenues over expenditures	1,808,693	(472,134)	(488,006)	848,553
Other financing sources (uses)				
Transfers in	-	-	678,098	678,098
Transfers out	(678,098)	-	-	(678,098)
Total other financing sources (uses)	(678,098)	-	678,098	-
Net change in fund balances	1,130,595	(472,134)	190,092	848,553
Fund balances - beginning	8,352,325	2,871,478	6,536,494	17,760,297
Fund balances - ending	\$ 9,482,920	\$ 2,399,344	\$ 6,726,586	\$ 18,608,850

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, 2010

Net change in fund balances-total governmental funds	\$ 848,553
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the lives of the assets. This is the amount by which depreciation exceeded capital outlay in the current period. (\$2,779,917 current additions less \$3,957,249 depreciation.)	(1,177,332)
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	(81,477)
Contributions of capital assets	854,909
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. These transaction however, have no effect on net assets.	
Repayment of principal on bonds	465,000
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:	
Decrease in net pension asset	(607)
Increase in net other post-employment benefit obligation	(38,689)
Increase in compensated absences	(82,597)
Loss on disposal of capital assets	(2,557,900)
Decrease in accrued interest	1,680
Interest accreted on capital appreciation debt	(129,840)
Amortization of bond discount and issuance costs	(4,547)
	<hr/>
Change in net assets of governmental activities	<u>\$ (1,902,847)</u>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Net Assets - Proprietary Funds
 April 30, 2010

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service Funds
Assets		
Current		
Cash and cash equivalents	\$ 2,701,407	\$ 31,949
Investments	1,755,000	-
Receivables		
Accounts	1,217,176	9,832
Interest	7,851	-
Prepaid items	22,186	-
Inventory	-	108,728
Restricted assets - investments	920,000	-
Total current assets	6,623,620	150,509
Capital assets (net of accumulated depreciation)		
Land	3,644,048	-
Construction in progress	408,453	-
Water and sewer system	54,772,256	-
Buildings	14,383,729	-
Machinery and equipment	245,975	-
Total noncurrent assets	73,454,461	-
Total assets	\$ 80,078,081	\$ 150,509

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Net Assets - Proprietary Funds - Continued
 April 30, 2010

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service Funds
Liabilities		
Current		
Accounts payable	\$ 481,516	\$ 62,345
Accrued interest	32,423	-
Compensated absences payable	111,968	-
General obligation bonds payable	455,000	-
Total current liabilities	1,080,907	62,345
Noncurrent		
Compensated absences payable	50,163	-
General obligation bonds payable, net	9,115,818	-
Total noncurrent liabilities	9,165,981	-
Total liabilities	10,246,888	62,345
Net Assets		
Invested in capital assets, net of related debt	63,883,643	-
Restricted for debt service	920,000	-
Unrestricted	5,027,550	88,164
Total net assets	\$ 69,831,193	\$ 88,164

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds
 Year Ended April 30, 2010

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service Funds
Operating revenues		
Charges for services		
Water and sewer revenue	\$ 4,923,877	\$ -
Meter sales	9,050	-
Connection fees	63,522	-
Administration fee	79,430	-
Maintenance billings	-	1,675,177
Miscellaneous	125,543	160
Total operating revenues	<u>5,201,422</u>	<u>1,675,337</u>
Operating expenses excluding depreciation	<u>5,073,600</u>	<u>1,675,337</u>
Operating income before depreciation	127,822	-
Depreciation	<u>3,588,711</u>	-
Operating loss	<u>(3,460,889)</u>	-
Nonoperating revenues (expenses)		
Home rule sales tax	2,282,512	-
Contributions - developers	37,071	-
Interest income	51,431	-
Interest expense and fiscal agent fees	(427,497)	-
Loss on disposal of capital assets	(7,221,279)	-
Total nonoperating revenues (expenses)	<u>(5,277,762)</u>	-
Change in net assets	(8,738,651)	-
Net assets - beginning	<u>78,569,844</u>	<u>88,164</u>
Net assets - ending	<u>\$ 69,831,193</u>	<u>\$ 88,164</u>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Cash Flows – Proprietary Funds
Year Ended April 30, 2010

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service Funds
<hr/>		
Cash flows from operating activities		
Cash received from customers	\$ 5,177,278	\$ -
Cash paid to suppliers	(2,879,191)	(1,039,080)
Cash paid to employees	(2,265,819)	(668,619)
Cash received for interfund services provided	-	1,672,740
Net cash provided by (used for) operating activities	<u>32,268</u>	<u>(34,959)</u>
Cash flows from noncapital financing activities		
Home rule sales tax received	2,476,146	-
Developer contributions	37,071	-
Net cash flows provided by noncapital financing activities	<u>2,513,217</u>	<u>-</u>
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(790,332)	-
Interest paid on bonds	(411,320)	-
Principal paid on general obligation bond maturities	(485,000)	-
Net cash flows (used for) capital and related financing activities	<u>(1,686,652)</u>	<u>-</u>
Cash flows from investing activities		
Purchase of investments (certificates of deposit)	(5,151,000)	-
Sale of investments (certificates of deposit)	5,288,000	-
Interest on investments	50,251	-
Net cash flows provided by investing activities	<u>187,251</u>	<u>-</u>
Net increase (decrease) in cash and equivalents	1,046,084	(34,959)
Cash and equivalents - beginning	<u>1,655,322</u>	<u>66,908</u>
Cash and equivalents - ending	<u>\$ 2,701,407</u>	<u>\$ 31,949</u>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Cash Flows – Proprietary Funds - Continued
 Year Ended April 30, 2010

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service Funds
<hr/>		
Reconciliation of operating loss to net cash provided by (used for) operating activities		
Operating loss	\$ (3,460,889)	\$ -
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities		
Depreciation	3,588,711	-
Changes in assets and liabilities		
Accounts receivable	(24,144)	(2,597)
Prepaid items	(22,187)	-
Inventory	-	14,113
Accounts payable	(61,613)	(46,475)
Compensated absences payable	12,390	-
Total adjustments	<u>3,493,157</u>	<u>(34,959)</u>
Net cash provided by (used for) operating activities	<u>\$ 32,268</u>	<u>\$ (34,959)</u>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Fiduciary Net Assets

April 30, 2010

	Pension Trust Fund	Agency Fund
Assets		
Cash and cash equivalents	\$ 63,758	\$ 585,306
Investments		
U.S. government securities	2,734,189	-
U.S. agency securities	2,005,110	-
Mutual funds	4,430,267	-
Illinois Funds	32,513	-
Money market funds	1,021,892	-
Corporate debt securities	538,078	-
Interest receivable	49,211	-
	<hr/>	<hr/>
Total assets	10,875,018	585,306
Liabilities		
Deposits	<hr/>	585,306
	-	<hr/>
Net Assets		
Held in trust for pension benefits	<u>\$ 10,875,018</u>	<u>\$ -</u>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Changes in Fiduciary Net Assets - Pension Trust Fund
Year Ended April 30, 2010

Additions	
Contributions	
Employer	\$ 767,532
Employee	378,468
	<u>1,146,000</u>
Investment income (expense)	
Net appreciation in fair value of investments	901,316
Interest income	202,162
Less investment expenses	(56,019)
	<u>1,047,459</u>
Total additions	<u>2,193,459</u>
Deductions	
Administration	9,602
Pension benefits and refunds	219,180
Total deductions	<u>228,782</u>
Change in net assets	1,964,677
Net assets - beginning	<u>8,910,341</u>
Net assets - ending	<u>\$ 10,875,018</u>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

(a) Reporting Entity

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

(b) Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

Village of Algonquin, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

The Village administers the following major governmental funds:

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

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

The Village administers the following major proprietary fund:

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

The Village administers two internal service funds:

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

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

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

Village of Algonquin, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

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

(d) Cash and Cash Equivalents

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

(e) Investments

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

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

Village of Algonquin, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

(f) Property Taxes

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

Property taxes are billed, collected and remitted periodically by the County Treasurers of Kane and McHenry County, Illinois. A reduction for collection losses, based on historical collection experience, has been provided to reduce the taxes receivable to the estimated amount to be collected. That portion of the property taxes receivable which is not expected to be collected within sixty (60) days after year end is not considered to pay current liabilities and is, therefore, shown as deferred revenue. Since the 2009 property tax levy is levied to finance the operations of the fiscal year beginning May 1, 2010, the 2009 property tax levy is deferred (unearned) as of year end.

(g) Inventory and Prepaid Items

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

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

(h) Interfund Receivables/Payables

The Village has the following types of transactions between funds:

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

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

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

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

Village of Algonquin, Illinois

Notes to Financial Statements

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

(j) Compensated Absences

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

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

Village of Algonquin, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

(k) Deferred Revenue

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

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

(l) Long-term Obligations

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

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

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

(m) Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally segregated for a specific purpose. Designated fund balances represent tentative plans for future use of financial resources. As of April 30, 2010, the General Fund has designated \$630,847 for capital equipment replacement. In proprietary funds, certain amounts are restricted under bond ordinance provisions pertaining to general obligation debt recorded in the Waterworks and Sewerage Fund.

(n) Accounting Estimates

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

Village of Algonquin, Illinois

Notes to Financial Statements

Note 2. Stewardship, Compliance and Accountability

Budgetary Information

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

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

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

Budgets are prepared on a basis consistent with GAAP except for the Waterworks and Sewerage Fund in that depreciation, amortization, and gains/losses on the sales of capital assets are not budgeted and capital outlay and debt principal retirements are budgeted.

Deficit Fund Balances in Individual Funds

The Public Swimming Pool Fund had a net deficit fund balance of \$37 at April 30, 2010.

Note 3. Deposits and Investments

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

Custodial Credit Risk – Deposits.

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. It is the policy of the Village to require that funds on deposit in excess of FDIC limits be secured by some form of collateral. The amount of collateral provided will not be less than 110% of the fair market value of the net amount of public funds secured. Pledged collateral will be held in safekeeping by an independent third party depository designated by the Village and evidenced by a safekeeping agreement. As of April 30, 2010, the Village was not exposed to custodial credit risk.

Village of Algonquin, Illinois

Notes to Financial Statements

Note 3. Deposits and Investments (Continued)

Interest Rate Risk.

As of April 30, 2010, the Village had the following investments and maturities.

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	6 - 10	Greater than 10
U.S. Government Securities	\$ 5,601,287	\$ 401,580	\$ 4,303,252	\$ 254,312	\$ 642,143
U.S. Agency Securities	2,005,110	810,280	1,194,830	-	-
Corporate Debt Securities	538,078	-	538,078	-	-
Money Market Funds*	1,021,892	1,021,892	-	-	-
Illinois Metropolitan Investment Fund	2,404,300	-	2,404,300	-	-
Illinois Funds*	5,643,511	5,643,511	-	-	-
Total investments	\$ 17,214,178	\$ 7,877,263	\$ 8,440,460	\$ 254,312	\$ 642,143

* Weighted average maturity is less than one year.

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

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

Credit Risk.

State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the Village's policy to limit its investments in these investment types to the top rating issued by NRSROs. As of April 30, 2010, the Village's investments were rated as follows:

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

Village of Algonquin, Illinois

Notes to Financial Statements

Note 3. Deposits and Investments (Continued)

Custodial Credit Risk.

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

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

Concentration of Credit Risk.

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

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

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

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

The Village and Police Pension Fund were not exposed to concentration of credit risk as of April 30, 2010.

Other Information

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

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

Village of Algonquin, Illinois

Notes to Financial Statements

Note 4. Capital Assets

(a) Governmental Activities

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

	Balance May 1	Additions	Deletions	Balance April 30
Government activities:				
Capital assets not being depreciated:				
Land	\$ 95,629,414	\$ 430,397	\$ 2,387,617	\$ 93,672,194
Construction in progress	1,629,656	949,712	1,281,387	1,297,981
Total capital assets not being depreciated	<u>97,259,070</u>	<u>1,380,109</u>	<u>3,669,004</u>	<u>94,970,175</u>
Capital assets being depreciated:				
Buildings	15,976,573	-	-	15,976,573
Improvements other than buildings	12,762,416	255,407	-	13,017,823
Vehicles and equipment	6,559,692	154,911	135,857	6,578,746
Streets/storm sewers/bridges	90,169,837	3,125,786	475,811	92,819,812
	<u>125,468,518</u>	<u>3,536,104</u>	<u>611,668</u>	<u>128,392,954</u>
Less accumulated depreciation for:				
Buildings	3,157,075	319,008	-	3,476,083
Improvements other than buildings	3,668,160	664,155	-	4,332,315
Vehicles and equipment	4,117,577	613,059	135,857	4,594,779
Streets/storm sewers/bridges	27,783,991	2,361,027	305,528	29,839,490
	<u>38,726,803</u>	<u>3,957,249</u>	<u>441,385</u>	<u>42,242,667</u>
Total capital assets being depreciated, net	<u>86,741,715</u>	<u>(421,145)</u>	<u>170,283</u>	<u>86,150,287</u>
Governmental activities capital assets, net	<u>\$ 184,000,785</u>	<u>\$ 958,964</u>	<u>\$ 3,839,287</u>	<u>\$ 181,120,462</u>

Village of Algonquin, Illinois

Notes to Financial Statements

Note 4. Capital Assets (Continued)

(b) Business-Type Activities

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

	Balance May 1	Additions	Deletions	Balance April 30
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 10,868,940	\$ -	\$ 7,224,892	\$ 3,644,048
Construction in progress	323,504	84,949	-	408,453
Total capital assets not being depreciated	<u>11,192,444</u>	<u>84,949</u>	<u>7,224,892</u>	<u>4,052,501</u>
Capital assets being depreciated:				
Water and sewer system	88,065,137	708,996	3,142	88,770,991
Buildings	17,403,306	-	-	17,403,306
Machinery and equipment	1,357,174	-	36,000	1,321,174
	<u>106,825,617</u>	<u>708,996</u>	<u>39,142</u>	<u>107,495,471</u>
Less accumulated depreciation for:				
Water and sewer system	30,877,529	3,124,348	3,142	33,998,735
Buildings	2,671,511	348,066	-	3,019,577
Machinery and equipment	994,902	116,297	36,000	1,075,199
	<u>34,543,942</u>	<u>3,588,711</u>	<u>39,142</u>	<u>38,093,511</u>
Total capital assets being depreciated, net	<u>72,281,675</u>	<u>(2,879,715)</u>	<u>-</u>	<u>69,401,960</u>
Business-type activities capital assets, net	<u>\$ 83,474,119</u>	<u>\$ (2,794,766)</u>	<u>\$ 7,224,892</u>	<u>\$ 73,454,461</u>

The Village did a complete physical inventory of its land and rights-of-way (ROW) capital assets, due to new information that became available to management from McHenry County. This resulted in a number of adjustments being made to properly reflect ownership and the current values of these assets. Adjustments totaling \$2.4 million are reflected as deletions in the summary of changes in capital assets for governmental activities above.

In addition, the inventory performed also resulted in adjustments totaling \$7.2 million which are reflected as deletions in the summary of changes in capital assets for business-type activities above.

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	\$ 409,519	\$ -
Public safety	126,947	-
Public works	3,420,783	-
Water and sewer	-	3,588,711
	<u>\$ 3,957,249</u>	<u>\$ 3,588,711</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, 2010:

	Balance May 1, 2009	Additions	Retirements	Balance April 30, 2010	Due Within One Year
Compensated Absences Payable	\$ 987,066	\$ 1,331,470	\$ 1,248,873	\$ 1,069,663	\$ 708,829
General Obligation Bonds Payable*	8,700,204	129,840	465,000	8,365,044	500,000
	<u>\$ 9,687,270</u>	<u>\$ 1,461,310</u>	<u>\$ 1,713,873</u>	<u>\$ 9,434,707</u>	<u>\$ 1,208,829</u>

* Amount reported in the statement of net assets for governmental activities is net of an unamortized discount of \$40,928. Additions represent accretion on the capital appreciation bonds.

The following is a summary of long-term obligation activity associated with business-type activities for the year ended April 30, 2010:

	Balance May 1, 2009	Additions	Retirements	Balance April 30, 2010	Due Within One Year
Compensated Absences Payable	\$ 149,741	\$ 210,028	\$ 197,638	\$ 162,131	\$ 111,968
General Obligation Bonds Payable **	10,170,000	-	485,000	9,685,000	455,000
	<u>\$ 10,319,741</u>	<u>\$ 210,028</u>	<u>\$ 682,638</u>	<u>\$ 9,847,131</u>	<u>\$ 566,968</u>

** Amount reported in the statement of net assets for business-type activities is net of an unamortized discount of \$114,182.

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, 2010:

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

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

Description	Fund Debt Retired By	Balances May 1	Additions	Retirements	Balances April 30
<i>Governmental Activities:</i>					
<i>General Obligation Bonds -</i>					
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	\$ 325,000	\$ -	\$ 325,000	\$ -
General Obligation Refunding Series 2002A \$3,090,000 Alternate Revenue Source Bonds due in annual installments of \$15,000 to \$650,000; interest at 4.0% to 4.6%, through April 1, 2015	Debt Service	2,985,000	-	140,000	2,845,000
General Obligation Capital Appreciation Bonds Series 2002B \$1,708,794 Initial Aggregate Principal Series 2002, due in annual installments beginning April 1, 2016 through April 1, 2021 ranging from \$675,000 to \$760,000 plus interest at 5.1% to 5.4%	Debt Service	2,455,204	129,840 *	-	2,585,044
General Obligation Refunding Series 2005B \$2,925,999 Crossover Bonds due in annual installments of \$535,000 to \$650,000; interest at 3.875% to 3.95% through April 1, 2020.	Debt Service	2,935,000	-	-	2,935,000
Total General Obligation Bonds - Governmental Activities		\$ 8,700,204	\$ 129,840	\$ 465,000	\$ 8,365,044

* Principal accretion on capital appreciation bonds

Village of Algonquin, Illinois

Notes to Financial Statements

Note 5. Long-Term Obligations (Continued)

Description	Fund Debt Retired By	Balances May 1	Additions	Retirements	Balances April 30
<i>General Obligation Bonds - Business-type Activities</i>					
General Obligation Refunding Series 2001A					
\$2,335,000 Alternate Revenue Source					
Bonds due in annual installments of \$40,000 to \$460,000; interest at 3.0% to 4.5%, through April 1, 2012	Waterworks and Sewerage	\$ 1,230,000	\$ -	\$ 460,000	\$ 770,000
General Obligation Sewer Series 2005A					
\$9,000,000 Bonds due in annual installments of \$25,000 to \$875,000 interest at 3.5% to 4.15%, through April 1, 2025					
	Waterworks and Sewerage	8,940,000	-	25,000	8,915,000
Total General Obligation Bonds - Business type Activities		\$ 10,170,000	\$ -	\$ 485,000	\$ 9,685,000

As of April 30, 2010, 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
2011	\$ 500,000	\$ 241,412	\$ 741,412	\$ 455,000	\$ 389,082	\$ 844,082
2012	535,000	220,162	755,162	465,000	369,386	834,386
2013	560,000	196,756	756,756	500,000	349,160	849,160
2014	600,000	171,556	771,556	525,000	329,660	854,660
2015	650,000	144,556	794,556	550,000	309,185	859,185
2016-2020	5,209,512	1,507,272	6,716,784	3,165,000	1,204,090	4,369,090
2021-2025	310,532	249,468	560,000	4,025,000	509,938	4,534,938
Total	\$ 8,365,044	\$ 2,731,182	\$ 11,096,226	\$ 9,685,000	\$ 3,460,501	\$ 13,145,501

Village of Algonquin, Illinois

Notes to Financial Statements

Note 5. Long-Term Obligations (Continued)

Refunding Transactions

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

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

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

Note 6. Interfund Balances and Transfers

Individual interfund balances and transfers for the Village at April 30, 2010 are shown as follows:

Receivable Fund	Payable Fund	Detail	Due From/To Other Funds
General	Nonmajor Governmental	Short-term loan	<u>\$ 283,800</u>
Transfer In Fund	Transfer Out Fund	Detail	Transfers From/To Other Funds
Nonmajor Governmental	General	Debt service	\$ 612,000
Nonmajor Governmental	General	Subsidy	<u>66,098</u>
Total			<u>\$ 678,098</u>

Note 7. Other Information

(a) Risk Management

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

Village of Algonquin, Illinois

Notes to Financial Statements

Note 7. Other Information (Continued)

(a) Risk Management (Continued)

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

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

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

(b) Joint Venture

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

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

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

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

Village of Algonquin, Illinois

Notes to Financial Statements

Note 7. Other Information (Continued)

(c) Joint Venture (Continued)

SEECOM financial statements can be obtained at SEECOM's office located at 100 West Woodstock Street, Crystal Lake, IL 60014.

The Village reports its activities in SEECOM as a governmental joint venture. In accordance with the joint venture agreement, the Village remitted \$557,549 to SEECOM during fiscal year 2010.

(d) Pledged Sales Tax Revenues

The Village has pledged future sales tax revenues to repay \$2,845,000 in general obligation bonds issued in 2002. Total principal and interest remaining on the bonds is \$3,246,162, payable through April 2015. This pledge will remain until all bonds have been retired.

The amount of the pledge remaining as of April 30, 2010 and a comparison of the pledged revenues collected to the related principal and interest expenditure for fiscal year 2010 are as follows:

Debt Issue	Pledge Remaining	Commitment End Date	Estimated % of Revenue Pledged	Principal and Interest Retired
General Obligation Refunding Series 2002A	\$ 3,246,162	April 1, 2015	2.84%	\$ 272,706

The Village has pledged future water customer revenues to repay \$770,000 in general obligation bonds issued in 2001. Total principal and interest remaining on the bonds is \$820,672, payable through April 2012. These pledges will remain until all bonds have been retired.

The amount of the pledges remaining as of April 30, 2010 and a comparison of the total water customer net revenues collected to the related principal and interest expenditure for fiscal year 2010 are as follows:

Debt Issue	Pledge Remaining	Commitment End Date	Estimated % of Revenue Pledged	Principal and Interest Retired
General Obligation Refunding Series 2001A	\$ 820,672	April 1, 2012	5.36%	\$ 514,370

Village of Algonquin, Illinois

Notes to Financial Statements

Note 8. Employee Retirement Systems and Plans

(a) Illinois Municipal Retirement

Plan Description

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

Funding Policy

As set by statute, employer regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2009 was 9.38 percent of annual covered payroll. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost

The Village's annual pension cost of \$600,735 for the regular plan was equal to the Village's required and actual contributions.

For Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset (Obligation)
2009	\$ 600,735	100 %	\$ -
2008	563,034	100	-
2007	517,605	100	-

The required contribution for 2009 was determined as part of the December 31, 2007 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007 included (a) 7.50 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the Village's regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor between the actuarial and market value of assets. The Village's regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2007 was 23 years.

Village of Algonquin, Illinois

Notes to Financial Statements

Note 8. Employee Retirement Systems and Plans (Continued)

(a) Illinois Municipal Retirement (Continued)

Funded Status and Funding Progress

As of December 31, 2009, the most recent actuarial valuation date, the regular plan was 76 percent funded. The actuarial liability for benefits was \$11,359,422 and the actuarial value of assets was \$8,633,022 resulting in an unfunded actuarial accrued liability (UAAL) of \$2,726,400. The covered payroll (annual payroll of active employees covered by the plan) was \$6,404,433 and the ratio of the UAAL to the covered payroll was 43 percent. In conjunction with the December 2009 actuarial valuation the market value of investments was determined using techniques that spread the effect of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

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

(b) Police Pension

Defined Benefit Pension Plan for Public Safety Employees

The information included in this section pertaining to the Village's Police Pension Fund, is based on the actuarial valuation performed on April 30, 2010. The actuarial valuation was performed to determine the Village's required contribution and annual pension cost for that plan for its fiscal year ended April 30, 2010.

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, 2010, the Police Pension Plan membership consisted of:

Retirees, disabled participants and beneficiaries of	
deceased retirees currently receiving benefits	5
Terminated plan members entitled to but not yet	
receiving benefits	1
Current employees:	
Vested	36
Nonvested	13
	<hr/>
Total	55
	<hr/> <hr/>

Village of Algonquin, Illinois

Notes to Financial Statements

Note 8. Employee Retirement Systems and Plans (Continued)

(b) Police Pension (Continued)

Plan Description (Continued)

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

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

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

Funding Policy

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

Annual Pension Cost and Net Pension Asset

At April 30, 2010, the Village's annual pension cost was \$768,139. The Village's actual contribution was \$767,532. For a description of the significant actuarial assumptions, see "Significant Actuarial Assumptions."

The net pension asset at April 30, 2010, was \$22,852. It was comprised of the following:

Net pension obligation:	
Annual required contribution	\$ 768,620
Interest on net pension obligation	(1,642)
Adjustment to annual required contribution	<u>1,161</u>
Annual pension cost	768,139
Contributions made	<u>767,532</u>
Decrease in net pension asset	(607)
Net pension asset at beginning of year	<u>23,459</u>
Net pension asset at end of year	<u><u>\$ 22,852</u></u>

The net pension asset of \$22,852 is reported by the Village in the government-wide Statement of Net Assets.

Village of Algonquin, Illinois

Notes to Financial Statements

Note 8. Employee Retirement Systems and Plans (Continued)

(b) Police Pension (Continued)

Plan Description (Continued)

Three-Year Trend Information for the Police Pension

For Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset (Obligation)
2010	\$ 768,139	99.9 %	\$ 22,852
2009	676,334	100.1	23,459
2008	444,441	100.2	22,730

Reserves and Concentration of Investments

There are no assets legally reserved for purposes other than the payment of plan member benefits. There are no long-term contracts for contributions. As of April 30, 2010, the following investments (other than those issued or guaranteed by the U.S. government) exceed 5% or more of net assets available for benefits:

Issuer	Fair Value	Percentage of Net Assets
Federal National Mortgage Association	\$ 1,128,280	10.37%
Dreyfus Liquid Asset Fund	812,855	7.47%

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, 2010 was determined as part of the April 30, 2010 actuarial valuation report using the entry age normal cost method. The actuarial assumptions included (a) 7.0% investment rate of return, (b) projected salary increases of 5.5%, (c) 3.0% per year cost of living adjustments. Both (a) and (b) included an inflation component of 3.0%. The actuarial value of police pension assets was determined using market values. The Police Pension Plan's unfunded actuarial liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at April 30, 2010 was 23 years.

Village of Algonquin, Illinois

Notes to Financial Statements

Note 8. Employee Retirement Systems and Plans (Continued)

(b) Police Pension (Continued)

Funded Status and Funding Progress – Pension Trust Fund

The funded status of the Police Pension Plan as of April 30, 2010, the most recent actuarial valuation date, is as follows:

(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)–(1) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll	UAAL as a Percentage of Covered Payroll ((2-1)/3)
\$ 10,875,019	\$ 21,820,186	\$ 10,945,167	49.84 %	\$ 3,865,273	283.17 %

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

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

Note 9. Other Post-Employment Benefits (OPEB)

Plan Description.

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

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

Funding Policy

The contribution requirements for plan members and the Village are established and may be amended by the Village Board and are detailed in the "Plan Document and Summary Plan Description." The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2010, the Village contributed \$9,248 to the plan, representing a portion of current premiums (approximately 26 percent of total premiums). Plan members receiving benefits contributed \$26,152, or approximately 74 percent of the total premiums, through their required contribution of \$404.27 per month for retiree-only coverage, \$869.37 for retiree and dependent coverage and \$1,338.69 for family coverage.

Village of Algonquin, Illinois

Notes to Financial Statements

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

Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution (ARC)	\$ 47,937
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
	<hr/>
Annual OPEB cost	47,937
Contribution made	9,248
	<hr/>
Increase in net OPEB obligation	38,689
Net OPEB obligation beginning of year	20,214
	<hr/>
Net OPEB obligation end of year	<u>\$ 58,903</u>

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

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
4/30/2010	\$ 47,937	19.3%	\$ 58,903
4/30/2009	45,654	55.7%	20,214

Funded Status and Funding Progress

As of April 30, 2008 actuarial valuation (most recent available), the plan was 100% unfunded. The actuarial accrued liability for benefits was \$1,102,147, and the actuarial value of assets was \$0 (zero), resulting in an unfunded actuarial accrued liability (UAAL) of \$1,102,147. The covered payroll (annual payroll of active employees covered by the plan) was \$10,032,140, and the ratio of the UAAL to the covered payroll was 10.99 percent.

Village of Algonquin, Illinois

Notes to Financial Statements

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

Annual OPEB Cost and Net OPEB Obligation (Continued)

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

Actuarial Methods and Assumptions

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

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

Note 10. New Governmental Accounting Standards

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

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

Statement No. 53 – *Accounting and Financial Reporting for Derivative Instruments*, addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are often complex financial arrangements used by governments to manage specific risks or to make investments. The Village is required to implement this Statement for the year ending April 30, 2011.

Village of Algonquin, Illinois

Notes to Financial Statements

Note 10. New Governmental Accounting Standards (Continued)

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

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

Note 11. Subsequent Events

In June 2010, the Village issued General Obligation Refunding Bonds, Series 2010, in the amount of \$3,055,000, with interest ranging from 2.0% to 3.0% through final maturity on April 1, 2015. The proceeds of the bonds were used to refund the General Obligation Bond Series 2001A and the General Obligation Bond Series 2002A.

REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

Village of Algonquin, Illinois

Required Supplementary Information
 Schedule of Revenues, Expenditures, and Changes in Fund Balance –
 Budget and Actual – General Fund
 Year Ended April 30, 2010

	Original Budget	Final Budget	Actual	Over (Under)
Revenues				
Charges for services	\$ 395,300	\$ 395,300	\$ 334,048	\$ (61,252)
Licenses and permits	685,000	685,000	339,520	(345,480)
Intergovernmental, grants and contributions	102,000	185,520	159,514	(26,006)
Fines, fees and forfeitures	1,175,000	1,175,000	1,132,348	(42,652)
Property taxes	5,933,000	5,933,000	5,939,181	6,181
Other taxes	10,299,000	10,299,000	9,901,511	(397,489)
Interest	155,000	155,000	48,360	(106,640)
Miscellaneous	12,500	12,500	23,266	10,766
Total revenues	18,756,800	18,840,320	17,877,748	(962,572)
Expenditures				
Current				
General government	4,166,200	4,252,800	3,788,203	464,597
Public safety	8,398,140	8,399,640	7,730,736	668,904
Public works	4,533,900	4,613,220	4,397,475	215,745
Capital outlay	895,160	811,260	152,641	658,619
Total expenditures	17,993,400	18,076,920	16,069,055	2,007,865
Excess of revenues over expenditures	763,400	763,400	1,808,693	1,045,293
Other financing sources (uses)				
Transfers in	3,000	3,000	-	(3,000)
Transfers out	(766,400)	(766,400)	(678,098)	88,302
Total other financing sources (uses)	(763,400)	(763,400)	(678,098)	85,302
Net change in fund balance	\$ -	\$ -	1,130,595	\$ 1,130,595
Fund balance - beginning			8,352,325	
Fund balance - ending			\$ 9,482,920	

See Note to Required Supplementary Information.

Village of Algonquin, Illinois

Required Supplementary Information
 Schedule of Revenues, Expenditures and Changes in
 Fund Balance - Budget and Actual - Street Improvement Fund
 Year Ended April 30, 2010

	Original Budget	Final Budget	Actual	Over (Under)
Revenues				
Contributions	\$ -	\$ 429,977	\$ 725,069	\$ 295,092
Other taxes				
Home rule sales tax	1,150,000	1,150,000	1,049,916	(100,084)
Utility taxes	975,000	975,000	947,169	(27,831)
Telecommunication taxes	575,000	575,000	535,602	(39,398)
Interest	30,000	30,000	13,989	(16,011)
Total revenues	2,730,000	3,159,977	3,271,745	111,768
Expenditures				
Current				
Public works				
Contractual services				
Legal services	8,000	8,000	4,388	3,612
Engineering services	648,100	832,900	284,707	548,193
Infrastructure maintenance	613,000	1,030,977	781,800	249,177
Capital outlay				
Capital improvements	3,040,000	2,906,790	2,639,774	267,016
Public works	-	33,210	33,210	-
Total expenditures	4,309,100	4,811,877	3,743,879	1,067,998
Net change in fund balance	\$ (1,579,100)	\$ (1,651,900)	(472,134)	\$ 1,179,766
Fund balance - beginning			2,871,478	
Fund balance - ending			<u>\$ 2,399,344</u>	

See Note to Required Supplementary Information.

Village of Algonquin, Illinois

Pension Benefits
 Required Supplementary Information
 Analysis of Funding Progress

April 30, 2010

Illinois Municipal Retirement Fund

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)-(1) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll	UAAL as a Percentage of Covered Payroll ((2-1)/3)
12/31/2009	\$ 8,633,022	\$ 11,359,422	\$ 2,726,400	76.00 %	\$ 6,404,433	42.57 %
12/31/2008	7,874,381	10,034,268	2,159,887	78.47	6,093,439	35.45
12/31/2007	7,581,534	8,590,433	1,008,899	88.26	5,595,732	18.03
12/31/2006	6,738,166	7,561,324	823,158	89.11	5,181,803	15.89
12/31/2005	6,125,526	6,851,267	725,741	89.41	5,087,300	14.27
12/31/2004	5,589,776	6,150,286	560,510	90.89	4,706,010	11.91

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)
05/01/2010	\$ 10,875,019	\$ 21,820,186	\$ 10,945,167	49.84 %	\$ 3,865,273	283.17 %
05/01/2009	8,910,341	19,682,936	10,772,595	45.27	3,799,289	283.54
05/01/2008	8,968,447	17,500,170	8,531,723	51.25	3,529,291	241.74
05/01/2007	8,086,877	15,528,795	7,441,918	52.08	3,213,288	231.60
05/01/2006	6,846,477	11,202,717	4,356,240	61.11	3,029,643	143.79
05/01/2005	5,710,363	9,285,875	3,575,512	61.50	2,528,254	141.42

Village of Algonquin, Illinois

Required Supplementary Information
Employer Contributions

April 30, 2010

Illinois Municipal Retirement Fund

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed	
12/31/2009	\$ 600,735	100	%
12/31/2008	563,034	100	
12/31/2007	517,605	100	
12/31/2006	480,353	100	
12/31/2005	456,331	100	
12/31/2004	400,952	100	

Police Pension Fund

Fiscal Year End Date	Annual Required Contribution	Percentage Contributed	
04/30/2010	\$ 768,620	100	%
04/30/2009	676,838	100	
04/30/2008	444,960	100	
04/30/2007	489,474	100	
04/30/2006	489,474	86	
04/30/2005	421,332	84	

Village of Algonquin, Illinois

Other Post-Employment Benefits
 Required Supplementary Information
 Year Ended April 30, 2010

Analysis of Funding Progress

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

Employer Contributions

Fiscal Year Ending	Annual Required Contribution	Percentage Contributed
4/30/2010	\$ 47,937	19.3%
4/30/2009	45,654	55.7%

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

Village of Algonquin, Illinois

Notes to Required Supplementary Information

Note 1. Budgetary Basis of Accounting

The General Fund and Street Improvement Fund budgets are adopted on a basis consistent with generally accepted accounting principles.

Note 2. Other Post-Employment Benefits

The Village adopted the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pension*, during FY2009. The most recent actuarial valuation was as of April 30, 2008.

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

GENERAL FUND

To account for resources traditionally associated with governments, which are not required to be accounted for in another fund.

Village of Algonquin, Illinois

General Fund

Schedule of Revenues - Budget and Actual
Year Ended April 30, 2010

	Original Budget	Final Budget	Actual
Charges for services			
Building and zoning	\$ 20,000	\$ 20,000	\$ 7,381
Platting fees	75,000	75,000	27,870
Intergovernmental agreement - police	76,000	76,000	110,871
Police training reimbursement	20,000	20,000	-
Snow plowing fees	3,000	3,000	8,006
Park usage fees	15,000	15,000	10,635
Recreation programs	128,300	128,300	128,631
Site development fee	5,000	5,000	271
Public art impact fee	3,000	3,000	-
Rental income	40,000	40,000	33,001
Historical commission	1,000	1,000	360
Senior bus	4,000	4,000	3,960
Subdivision signs	5,000	5,000	3,062
Total charges for services	<u>395,300</u>	<u>395,300</u>	<u>334,048</u>
Licenses and permits			
Liquor licenses	110,000	110,000	114,494
Building permits	550,000	550,000	188,153
Miscellaneous licenses	25,000	25,000	36,873
Total licenses and permits	<u>685,000</u>	<u>685,000</u>	<u>339,520</u>
Intergovernmental, grants and contributions			
Grants - operating, public safety, general	70,000	70,000	34,840
Contributions	32,000	115,520	124,674
Total intergovernmental, grants and contributions	<u>102,000</u>	<u>185,520</u>	<u>159,514</u>
Fines, fees and forfeitures			
County court and drug fines	375,500	375,500	326,059
County prosecution fines	4,000	4,000	3,420
Police fines	50,000	50,000	18,532
Restitution - Court Cases	1,000	1,000	675
Police accident reports	4,000	4,000	4,339
Reports, maps and ordinances	2,000	2,000	3,499
Building permit fines	12,000	12,000	5,642

(Continued)

Village of Algonquin, Illinois

General Fund

Schedule of Revenues - Budget and Actual (Continued)
Year Ended April 30, 2010

	Original Budget	Final Budget	Actual
Fines, fees and forfeitures (Continued)			
Towing and Storage	\$ 4,000	\$ 4,000	\$ 21,075
Traffic light enforcement	700,000	700,000	681,965
Municipal fines	20,000	20,000	65,063
Maintenance fee	1,500	1,500	1,889
Administrative fees	1,000	1,000	190
Total fines, fees and forfeitures	<u>1,175,000</u>	<u>1,175,000</u>	<u>1,132,348</u>
Property taxes			
General	1,610,000	1,610,000	1,606,922
Road and bridge	332,000	332,000	348,877
Social security	500,000	500,000	499,044
Insurance	555,000	555,000	553,940
IMRF	325,000	325,000	324,379
School crossing	20,000	20,000	19,968
Police protection	1,810,000	1,810,000	1,806,541
ESDA	12,000	12,000	11,978
Police pension	769,000	769,000	767,532
Total property taxes	<u>5,933,000</u>	<u>5,933,000</u>	<u>5,939,181</u>
Other taxes			
Personal property replacement tax	68,000	68,000	53,732
Cable TV fees	360,000	360,000	347,681
Telecommunication tax	210,000	210,000	198,069
Natural gas franchise fees	65,000	65,000	-
State income tax	3,246,000	3,246,000	2,876,711
Sales tax	6,350,000	6,350,000	6,425,318
Total other taxes	<u>10,299,000</u>	<u>10,299,000</u>	<u>9,901,511</u>
Interest	<u>155,000</u>	<u>155,000</u>	<u>48,360</u>
Miscellaneous			
Other	<u>12,500</u>	<u>12,500</u>	<u>23,266</u>
Total revenues	<u><u>\$ 18,756,800</u></u>	<u><u>\$ 18,840,320</u></u>	<u><u>\$ 17,877,748</u></u>

Village of Algonquin, Illinois

General Fund

Schedule of Expenditures - Budget and Actual
Year Ended April 30, 2010

	Original Budget	Final Budget	Actual
Current			
General government			
Administration			
Personnel	\$ 1,497,010	\$ 1,497,010	\$ 1,433,678
Commodities	158,470	245,070	194,706
Contractual services	991,700	991,700	671,888
Other charges	221,020	221,020	165,514
Total administration	<u>2,868,200</u>	<u>2,954,800</u>	<u>2,465,786</u>
Community development			
Personnel	1,073,825	1,073,825	1,045,042
Commodities	42,825	42,825	24,622
Contractual services	154,550	154,550	241,079
Other charges	26,800	26,800	11,674
Total community development	<u>1,298,000</u>	<u>1,298,000</u>	<u>1,322,417</u>
Total general government	<u>4,166,200</u>	<u>4,252,800</u>	<u>3,788,203</u>
Public safety			
Police department			
Personnel	5,954,850	5,954,850	5,530,341
Commodities	204,590	206,090	152,666
Contractual services	1,351,110	1,351,110	1,220,871
Other charges	887,590	887,590	826,858
Total public safety	<u>8,398,140</u>	<u>8,399,640</u>	<u>7,730,736</u>
Public works			
Public works administration			
Personnel	533,140	531,040	538,253
Commodities	19,700	20,840	17,815
Contractual services	75,680	74,540	69,552
Other charges	16,880	16,280	12,462
Total public works administration	<u>645,400</u>	<u>642,700</u>	<u>638,082</u>

(Continued)

Village of Algonquin, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)
 Year Ended April 30, 2010

	Original Budget	Final Budget	Actual
Public works (Continued)			
Streets department			
Personnel	\$ 1,219,550	\$ 1,219,550	\$ 1,218,671
Commodities	190,950	189,750	167,839
Contractual services	843,620	892,020	862,219
Other charges	12,880	12,180	10,011
Total streets	<u>2,267,000</u>	<u>2,313,500</u>	<u>2,258,740</u>
Parks			
Personnel	1,129,775	1,129,775	1,065,228
Commodities	105,880	128,573	88,088
Contractual services	368,415	381,542	334,240
Other charges	17,430	17,130	13,097
Total parks	<u>1,621,500</u>	<u>1,657,020</u>	<u>1,500,653</u>
Total public works	<u>4,533,900</u>	<u>4,613,220</u>	<u>4,397,475</u>
Capital outlay			
Public safety	102,060	102,060	82,341
Public works	236,500	239,200	59,193
Non-departmental	556,600	470,000	11,107
Total capital outlay	<u>895,160</u>	<u>811,260</u>	<u>152,641</u>
Total expenditures	<u>\$ 17,993,400</u>	<u>\$ 18,076,920</u>	<u>\$ 16,069,055</u>

NONMAJOR GOVERNMENTAL FUNDS – COMBINING STATEMENTS

Village of Algonquin, Illinois

Nonmajor Governmental Funds
 Combining Balance Sheet
 April 30, 2010

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 2,192,375	\$ 21,903	\$ 83,975	\$ 2,298,253
Investments	1,295,000	3,438,098	45,000	4,778,098
Receivables				
Intergovernmental	66,120	-	-	66,120
Accrued interest	3,964	13,129	169	17,262
Other	43,756	-	-	43,756
Prepaid items	1,086	-	-	1,086
Total assets	\$ 3,602,301	\$ 3,473,130	\$ 129,144	\$ 7,204,575
Liabilities				
Accounts payable	\$ 77,383	\$ -	\$ -	\$ 77,383
Deferred revenue - other	116,806	-	-	116,806
Due to other funds	283,800	-	-	283,800
Total liabilities	477,989	-	-	477,989
Fund Balances				
Reserved for				
Prepaid items	1,086	-	-	1,086
Donor program	1,010,416	-	-	1,010,416
Cemetery acquisition and perpetual care	250,000	-	-	250,000
Grant programs	1,475,848	-	-	1,475,848
Debt service	-	3,473,130	-	3,473,130
Unreserved	386,962	-	129,144	516,106
Total fund balances	3,124,312	3,473,130	129,144	6,726,586
Total liabilities and fund balances	\$ 3,602,301	\$ 3,473,130	\$ 129,144	\$ 7,204,575

Village of Algonquin, Illinois

Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 Year Ended April 30, 2010

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Revenues				
Charges for services	\$ 129,834	\$ -	\$ -	\$ 129,834
Intergovernmental, grants and contributions	810,449	-	1,000	811,449
Other taxes	35,104	-	-	35,104
Interest	23,486	128,340	880	152,706
Miscellaneous	32,100	-	-	32,100
Total revenues	1,030,973	128,340	1,880	1,161,193
Expenditures				
Current				
General government	242,332	-	-	242,332
Public works	630,488	-	-	630,488
Debt service				
Principal	-	465,000	-	465,000
Interest and fiscal charges	-	262,865	-	262,865
Capital outlay	48,514	-	-	48,514
Total expenditures	921,334	727,865	-	1,649,199
Excess (deficiency) of revenues over expenditures	109,639	(599,525)	1,880	(488,006)
Other financing sources (uses)				
Transfers in	66,098	612,000	-	678,098
Transfers out	-	-	-	-
Total other financing sources (uses)	66,098	612,000	-	678,098
Net change in fund balances	175,737	12,475	1,880	190,092
Fund balances - beginning	2,948,575	3,460,655	127,264	6,536,494
Fund balances - ending	\$ 3,124,312	\$ 3,473,130	\$ 129,144	\$ 6,726,586

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

Special Revenue Fund – to account for:

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

Village of Algonquin, Illinois

Nonmajor Special Revenue Funds

Combining Balance Sheet

April 30, 2010

	Motor Fuel Tax	Public Swimming Pool	Parks	Cemetery
Assets				
Cash and cash equivalents	\$ 1,161,367	\$ -	\$ 472,159	\$ 38,204
Investments	-	-	-	220,000
Receivables				
Intergovernmental	66,120	-	-	-
Accrued interest	-	-	-	840
Other	-	-	-	-
Prepaid items	-	888	-	198
Total assets	\$ 1,227,487	\$ 888	\$ 472,159	\$ 259,242
Liabilities				
Accounts payable	\$ 50,070	\$ 925	\$ 24,188	\$ 2,200
Deferred revenue - other	-	-	-	-
Due to other funds	-	-	283,800	-
Total liabilities	50,070	925	307,988	2,200
Fund Balances (Deficit)				
Reserved for				
Prepaid items	-	888	-	198
Donor program	-	-	164,171	-
Cemetery acquisition and perpetual care	-	-	-	250,000
Grant programs	1,177,417	-	-	-
Unreserved	-	(925)	-	6,844
Total fund balances (deficit)	1,177,417	(37)	164,171	257,042
Total liabilities and fund balances	\$ 1,227,487	\$ 888	\$ 472,159	\$ 259,242

Special Revenue	Totals
\$ 520,645	\$ 2,192,375
1,075,000	1,295,000
-	66,120
3,124	3,964
43,756	43,756
-	1,086
<u>\$ 1,642,525</u>	<u>\$ 3,602,301</u>

\$ -	\$ 77,383
116,806	116,806
-	283,800
<u>116,806</u>	<u>477,989</u>

-	1,086
846,245	1,010,416
-	250,000
298,431	1,475,848
381,043	386,962
<u>1,525,719</u>	<u>3,124,312</u>
<u>\$ 1,642,525</u>	<u>\$ 3,602,301</u>

Village of Algonquin, Illinois

Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances (Deficit)
Year Ended April 30, 2010

	Motor Fuel Tax	Public Swimming Pool	Parks	Cemetery
Revenues				
Charges for services	\$ -	\$ 114,149	\$ -	\$ 15,685
Intergovernmental, grants and contributions	807,518	-	1,163	-
Other taxes	-	-	-	-
Interest	1,383	5	1,299	3,224
Miscellaneous	-	14,189	-	17,911
Total revenues	808,901	128,343	2,462	36,820
Expenditures				
Current				
General government	-	194,145	-	31,924
Public works	514,503	-	88,850	-
Capital outlay	-	-	48,514	-
Total expenditures	514,503	194,145	137,364	31,924
Excess (deficiency) of revenues over expenditures	294,398	(65,802)	(134,902)	4,896
Other financing sources				
Transfers in	-	66,098	-	-
Net change in fund balances	294,398	296	(134,902)	4,896
Fund balances (deficit) - beginning	883,019	(333)	299,073	252,146
Fund balances (deficit) - ending	\$ 1,177,417	\$ (37)	\$ 164,171	\$ 257,042

Special Revenue	Totals
\$ -	\$ 129,834
1,768	810,449
35,104	35,104
17,575	23,486
-	32,100
<u>54,447</u>	<u>1,030,973</u>
16,263	242,332
27,135	630,488
-	48,514
<u>43,398</u>	<u>921,334</u>
11,049	109,639
-	66,098
11,049	175,737
<u>1,514,670</u>	<u>2,948,575</u>
<u>\$ 1,525,719</u>	<u>\$ 3,124,312</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, 2010

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental			
Motor fuel tax allotments	\$ 842,000	\$ 842,000	\$ 807,518
Interest	10,000	10,000	1,383
Total revenues	852,000	852,000	808,901
Expenditures			
Current			
Public works			
Materials	433,000	433,000	243,937
Engineering services	226,190	313,010	190,937
Maintenance	730,000	829,769	79,629
Total expenditures	1,389,190	1,575,779	514,503
Net change in fund balance	\$ (537,190)	\$ (723,779)	294,398
Fund balance - beginning			883,019
Fund balance - ending			\$ 1,177,417

Village of Algonquin, Illinois

Public Swimming Pool Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2010

	Original Budget	Final Budget	Actual
Revenues			
Charges for services			
Swimming pool fees	\$ 40,000	\$ 40,000	\$ 37,315
Swimming daily fees	28,000	28,000	23,569
Swimming lessons	58,000	58,000	40,693
Concessions- Candy	13,500	13,500	12,208
Concessions- Vending	50	50	364
Interest	50	50	5
Miscellaneous	15,000	15,000	14,189
Total revenues	154,600	154,600	128,343
Expenditures			
Current			
General government			
Personnel	111,500	111,500	102,075
Commodities	17,910	17,910	12,589
Contractual services	73,990	73,990	75,088
Other	5,600	5,600	4,393
Total expenditures	209,000	209,000	194,145
Deficiency of revenues over expenditures	(54,400)	(54,400)	(65,802)
Other financing sources			
Transfers in	54,400	54,400	66,098
Net change in fund balance	\$ -	\$ -	296
Fund balance (deficit) - beginning			(333)
Fund balance (deficit) - ending			<u>\$ (37)</u>

Village of Algonquin, Illinois

Public Swimming Pool Fund

Schedule of Expenditures - Budget and Actual
Year Ended April 30, 2010

	Original Budget	Final Budget	Actual
Expenditures			
Current			
General government			
Personnel			
Salary of pool employees	\$ 101,000	\$ 101,000	\$ 94,121
Social security/state unemployment tax	10,500	10,500	7,954
	<u>111,500</u>	<u>111,500</u>	<u>102,075</u>
Commodities			
Office supplies	4,350	4,350	1,804
Postage	50	50	-
Building Supplies	-	-	74
Office furniture and equipment	1,700	1,700	180
Concessions	10,200	10,200	9,424
Small tools and equipment	1,610	1,610	1,107
	<u>17,910</u>	<u>17,910</u>	<u>12,589</u>
Contractual services			
Telephone	50	50	-
Gas-heat	6,500	7,100	7,113
Electricity	7,500	7,500	6,866
Maintenance	51,940	51,340	56,395
Insurance	8,000	8,000	4,714
	<u>73,990</u>	<u>73,990</u>	<u>75,088</u>
Other			
Travel/training/dues	1,400	1,400	650
Youth assistance fee	-	-	48
Uniforms and safety items	4,200	4,200	3,695
	<u>5,600</u>	<u>5,600</u>	<u>4,393</u>
Total expenditures	<u>\$ 209,000</u>	<u>\$ 209,000</u>	<u>\$ 194,145</u>

Village of Algonquin, Illinois

Parks Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2010

	Original Budget	Final Budget	Actual
Revenues			
Contributions	\$ 225,000	\$ 225,000	\$ 1,163
Interest	5,000	5,000	1,299
Total revenues	<u>230,000</u>	<u>230,000</u>	<u>2,462</u>
Expenditures			
Current			
Public works			
Contractual services			
Tree planting	20,000	20,000	19,979
Wetland mitigation	44,500	44,500	34,418
Ecosystem maintenance	28,000	36,000	34,373
Engineering fees	3,000	3,000	-
Professional fees	-	-	80
Capital outlay			
Park development	75,000	75,000	48,514
Total expenditures	<u>170,500</u>	<u>178,500</u>	<u>137,364</u>
Net change in fund balance	<u>\$ 59,500</u>	<u>\$ 51,500</u>	(134,902)
Fund balance - beginning			<u>299,073</u>
Fund balance - ending			<u>\$ 164,171</u>

Village of Algonquin, Illinois

Cemetery Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2010

	Original Budget	Final Budget	Actual
Revenues			
Charges for services			
Opening graves and closing crypts	\$ 8,500	\$ 8,500	\$ 10,575
Perpetual care	2,000	2,000	1,260
Sale of lots	8,000	8,000	3,850
Interest	6,100	6,100	3,224
Miscellaneous	17,900	17,900	17,911
Total revenues	42,500	42,500	36,820
Expenditures			
Current			
General government			
Commodities			
Supplies	2,700	2,700	860
Contractual services			
Professional services	28,900	28,900	21,800
Grave openings	6,000	6,000	8,300
Insurance	2,000	2,000	964
Total expenditures	39,600	39,600	31,924
Net change in fund balance	\$ 2,900	\$ 2,900	4,896
Fund balance - beginning			252,146
Fund balance - ending			\$ 257,042

Village of Algonquin, Illinois

Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2010

	Original Budget	Final Budget	Actual
Revenues			
Contributions	\$ 60,000	\$ 60,000	\$ 1,768
Other taxes			
Hotel tax	90,000	90,000	35,104
Interest	25,000	25,000	17,575
Total revenues	<u>175,000</u>	<u>175,000</u>	<u>54,447</u>
Expenditures			
Current			
General government			
Regional marketing	45,000	45,000	11,383
Contractual services - impact fees	600,000	600,000	4,880
Public works			
Contractual services - snow removal	22,000	32,000	27,135
Total expenditures	<u>667,000</u>	<u>677,000</u>	<u>43,398</u>
Excess (deficiency) of revenues over expenditures	(492,000)	(502,000)	11,049
Other financing uses			
Transfers out	(48,000)	(48,000)	-
Net change in fund balance	<u>\$ (540,000)</u>	<u>\$ (550,000)</u>	11,049
Fund balance - beginning			<u>1,514,670</u>
Fund balance - ending			<u>\$ 1,525,719</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, 2010

	Original Budget	Final Budget	Actual
Revenues			
Interest	\$ 135,000	\$ 135,000	\$ 128,340
Expenditures			
Debt service			
Principal	465,000	465,000	465,000
Interest and fiscal charges	265,000	265,000	262,865
Total expenditures	<u>730,000</u>	<u>730,000</u>	<u>727,865</u>
Deficiency of revenue over expenditures	(595,000)	(595,000)	(599,525)
Other financing sources			
Transfers in	<u>612,000</u>	<u>612,000</u>	<u>612,000</u>
Net change in fund balance	<u>\$ 17,000</u>	<u>\$ 17,000</u>	12,475
Fund balance - beginning			<u>3,460,655</u>
Fund balance - ending			<u>\$ 3,473,130</u>

NONMAJOR CAPITAL PROJECTS FUND

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

Village of Algonquin, Illinois

Nonmajor Capital Projects Fund - Village Expansion Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2010

	Original Budget	Final Budget	Actual
Revenues			
Contributions	\$ 5,000	\$ 5,000	\$ 1,000
Interest	1,100	1,100	880
Total revenues	<u>6,100</u>	<u>6,100</u>	1,880
Expenditures			
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	-	-	1,880
Other financing sources			
Transfers in	<u>145,000</u>	<u>145,000</u>	-
Net change in fund balance	<u>\$ 151,100</u>	<u>\$ 151,100</u>	1,880
Fund balance - beginning			<u>127,264</u>
Fund balance - ending			<u>\$ 129,144</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

Schedule of Net Assets - by Account

April 30, 2010

	Operations and Maintenance	Improvements and Extension	Totals
Assets			
Current Assets			
Cash and cash equivalents	\$ 382,241	\$ 2,319,166	\$ 2,701,407
Investments	155,000	1,600,000	1,755,000
Receivables			
Accounts	710,782	506,394	1,217,176
Interest	2,911	4,940	7,851
Prepaid items	22,186	-	22,186
Intrafund receivable (payable)	1,081,508	(1,081,508)	-
Restricted assets - investments	515,000	405,000	920,000
Total current assets	2,869,628	3,753,992	6,623,620
Capital Assets			
Cost	111,547,972	-	111,547,972
Accumulated depreciation	(38,093,511)	-	(38,093,511)
Total capital assets, net	73,454,461	-	73,454,461
Total assets	\$ 76,324,089	\$ 3,753,992	\$ 80,078,081
Liabilities			
Current Liabilities			
Accounts payable	\$ 196,267	\$ 285,249	\$ 481,516
Accrued interest	32,423	-	32,423
Compensated absences payable	111,968	-	111,968
General obligation bonds payable	455,000	-	455,000
Total current liabilities	795,658	285,249	1,080,907
Noncurrent Liabilities			
Compensated absences payable	50,163	-	50,163
General obligation bonds payable, net	9,115,818	-	9,115,818
Total noncurrent liabilities	9,165,981	-	9,165,981
Total liabilities	9,961,639	285,249	10,246,888
Net Assets			
Invested in capital assets, net of related debt	63,883,643	-	63,883,643
Restricted for debt service	515,000	405,000	920,000
Unrestricted	1,963,807	3,063,743	5,027,550
Total net assets	\$ 66,362,450	\$ 3,468,743	\$ 69,831,193

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, 2010

	Original Budget	Final Budget	Actual
Operating revenues			
Charges for services			
Water and sewer revenue	\$ 5,262,260	\$ 5,262,260	\$ 4,923,877
Meter sales	30,000	30,000	9,050
Connection fees	650,000	650,000	63,522
Administration fee	82,500	82,500	79,430
Miscellaneous	71,000	71,000	125,543
Total operating revenues	<u>6,095,760</u>	<u>6,095,760</u>	<u>5,201,422</u>
Operating expenses excluding depreciation	<u>5,701,760</u>	<u>6,060,332</u>	<u>5,073,600</u>
Nonoperating revenues (expenses)			
Home rule sales tax	2,310,000	2,310,000	2,282,512
Contributions - developers	-	-	37,071
Interest income	80,000	80,000	51,431
Principal retirement	(510,000)	(510,000)	(485,000)
Interest expense and fiscal agent fees	(518,000)	(518,000)	(427,497)
Total nonoperating revenues (expenses)	<u>1,362,000</u>	<u>1,362,000</u>	<u>1,458,517</u>

Village of Algonquin, Illinois

Waterworks and Sewerage Fund

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

Year Ended April 30, 2010

	Original Budget	Final Budget	Actual
Water department			
Personnel			
IMRF	\$ 85,000	\$ 85,000	\$ 83,347
FICA	65,500	65,500	65,000
Unemployment tax	3,500	3,500	1,542
Health insurance	128,500	128,500	148,803
Salaries	823,500	823,500	863,933
Overtime	35,000	35,000	28,544
Commodities			
Meters	58,190	58,190	42,703
Office supplies	700	700	287
Materials	17,170	17,170	9,358
Chemicals	189,600	189,600	179,037
Postage	27,200	27,200	24,699
Building supplies	500	500	-
Small tools and equipment	14,840	14,840	10,628
Fuel	18,900	18,900	19,541
Lab supplies	7,850	7,850	7,602
Office furniture and equipment	13,150	13,150	5,788
Contractual services			
Utilities	394,280	380,790	302,426
Legal services	2,000	9,400	9,452
Audit services	4,400	4,400	4,386
Engineering services	4,000	4,000	-
Professional services	106,800	98,290	64,453
Insurance	90,000	90,000	56,718
Publications	2,380	2,380	451
Printing	7,600	7,600	4,764
Equipment rental	2,500	2,500	1,543
Physical exams	400	400	114
Travel/training/dues	11,550	11,250	4,504
Bank processing fees	16,400	16,400	16,191
Uniforms	7,800	7,800	7,685
Maintenance			
Alarm lines	650	650	-
Wells	130,830	74,920	1,251
Booster station	20,930	20,930	2,838
Maintenance storage facility	9,580	9,580	7,768
Treatment facility	20,040	20,040	12,565
Distribution system	45,050	45,050	14,002

(Continued)

Village of Algonquin, Illinois

Waterworks and Sewerage Fund

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

Year Ended April 30, 2010

	Original Budget	Final Budget	Actual
Water department (continued)			
Contractual services (continued)			
Maintenance (continued)			
Vehicle maintenance	\$ 36,200	\$ 36,200	\$ 26,104
Building maintenance	71,400	71,400	85,430
Maintenance - Other	920	1,320	550
Equipment maintenance	37,590	37,590	33,272
Capital outlay	21,000	21,000	374,864
Less fixed assets capitalized	(21,000)	(21,000)	(374,864)
Total water department	<u>2,512,400</u>	<u>2,441,990</u>	<u>2,147,279</u>
Sewer department			
Personnel			
IMRF	83,300	83,300	77,091
FICA	64,300	64,300	60,651
Unemployment tax	3,250	3,250	1,433
Health insurance	114,550	114,550	118,394
Salaries	808,000	808,000	808,377
Overtime	37,000	37,000	21,094
Commodities			
Meters	58,190	58,190	42,703
Office supplies	700	700	679
Materials	13,700	13,700	7,120
Chemicals	103,000	80,000	57,369
Postage	25,250	25,250	24,717
Building supplies	1,000	1,000	-
Small tools and equipment	23,090	23,090	14,425
Fuel	17,800	17,800	16,178
Lab supplies	6,550	6,550	5,470
Office furniture and equipment	15,100	16,164	9,335
Contractual services			
Utilities	368,660	509,780	463,806
Legal services	3,000	10,400	10,391
Audit services	4,400	4,400	4,386
Engineering services	4,000	9,641	8,391
Professional services	92,000	82,426	60,207

Village of Algonquin, Illinois

Waterworks and Sewerage Fund

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

Year Ended April 30, 2010

	Original Budget	Final Budget	Actual
Sewer department (continued)			
Contractual services (continued)			
Insurance	\$ 80,000	\$ 80,000	\$ 54,295
Publications	2,200	2,200	423
Printing	3,800	3,800	1,416
Equipment rental	3,500	3,500	1,304
Physical exams	400	400	114
Sludge removal	68,500	91,500	77,106
Travel/training/dues	11,380	11,380	3,808
Bank processing fees	16,400	16,400	16,191
Uniforms	7,900	7,900	7,806
Leases - Noncapital	3,220	3,220	-
Maintenance			
Alarm Lines	1,300	1,300	-
Treatment facility	154,200	78,559	41,076
Lift station	16,780	16,780	16,722
Collection station	14,500	14,500	1,990
Vehicle maintenance	47,750	47,750	31,952
Building maintenance	65,550	65,550	55,667
Equipment maintenance	38,120	38,120	29,076
Other	1,020	1,420	739
Capital outlay	42,000	42,000	419,082
Less capitalized amounts	(42,000)	(42,000)	(419,082)
Total sewer department	2,383,360	2,453,770	2,151,902
Non departmental			
Contractual services			
Engineering services	376,000	466,572	401,242
Legal services	20,000	20,000	9,562
Infrastructure maintenance	410,000	678,000	363,615
Total non departmental	806,000	1,164,572	774,419
Total operating expenses	\$ 5,701,760	\$ 6,060,332	\$ 5,073,600

INTERNAL SERVICE FUNDS

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

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

Village of Algonquin, Illinois

Combining Statement of Net Assets - Internal Service Funds
 April 30, 2010

	Building Service Fund	Vehicle Maintenance Fund	Total
Assets			
Current			
Cash and cash equivalents	\$ -	\$ 31,949	\$ 31,949
Receivables			
Accounts	-	9,832	9,832
Inventory	27,893	80,835	108,728
	<u>27,893</u>	<u>122,616</u>	<u>150,509</u>
Capital Assets			
Cost	-	51,833	51,833
Accumulated depreciation	-	(51,833)	(51,833)
Total capital assets, net	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 27,893</u>	<u>\$ 122,616</u>	<u>\$ 150,509</u>
Liabilities			
Current			
Accounts payable	<u>\$ 27,893</u>	<u>\$ 34,452</u>	<u>\$ 62,345</u>
Net Assets			
Unrestricted	<u>\$ -</u>	<u>\$ 88,164</u>	<u>\$ 88,164</u>

Village of Algonquin, Illinois

Combining Statement of Revenues, Expenses and Changes in Net Assets - Internal Service Funds
 Year Ended April 30, 2010

	Building Service Fund	Vehicle Maintenance Fund	Total
Operating revenues			
Maintenance billings	\$ 617,463	\$ 1,057,714	\$ 1,675,177
Miscellaneous	-	160	160
Total operating revenues	<u>617,463</u>	<u>1,057,874</u>	<u>1,675,337</u>
Operating expenses	<u>617,463</u>	<u>1,057,874</u>	<u>1,675,337</u>
Operating income	-	-	-
Net assets - beginning	-	88,164	88,164
Net assets - ending	<u>\$ -</u>	<u>\$ 88,164</u>	<u>\$ 88,164</u>

Village of Algonquin, Illinois

Comining Statement of Cash Flows – Internal Service Funds
 Year Ended April 30, 2010

	Building Service Fund	Vehicle Maintenance Fund	Total
Cash flows from operating activities			
Cash paid to suppliers	\$ (341,308)	\$ (697,772)	\$ (1,039,080)
Cash paid to employees	(303,216)	(365,403)	(668,619)
Cash received for interfund services provided	617,463	1,055,277	1,672,740
Net cash (used for) operating activities	<u>(27,061)</u>	<u>(7,898)</u>	<u>(34,959)</u>
Net decrease in cash and equivalents	(27,061)	(7,898)	(34,959)
Cash and equivalents - beginning	<u>27,061</u>	<u>39,847</u>	<u>66,908</u>
Cash and equivalents - ending	<u>\$ -</u>	<u>\$ 31,949</u>	<u>\$ 31,949</u>
Reconciliation of operating income to net cash used for operating activities			
Operating income	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Adjustments to reconcile operating income to net cash used for operating activities			
Changes in assets and liabilities			
Accounts receivable	-	(2,597)	(2,597)
Inventory	(1,419)	15,532	14,113
Accounts payable	(25,642)	(20,833)	(46,475)
Total adjustments	<u>(27,061)</u>	<u>(7,898)</u>	<u>(34,959)</u>
Net cash used for operating actiivities	<u>\$ (27,061)</u>	<u>\$ (7,898)</u>	<u>\$ (34,959)</u>

Village of Algonquin, Illinois

Internal Service Fund - Building Service Fund

Schedule of Revenues, Expenses and
Changes in Net Assets - Budget and Actual
Year Ended April 30, 2010

	Original Budget	Final Budget	Actual
Operating revenues			
Charges for services			
Maintenance billings	\$ 669,900	\$ 669,900	\$ 617,463
Total operating revenues	<u>669,900</u>	<u>669,900</u>	<u>617,463</u>
Operating expenses			
Personnel	302,340	302,340	303,216
Contractual services	40,450	11,030	2,306
Supplies and materials	123,680	123,680	108,534
Maintenance	192,780	222,200	194,543
Other charges	10,650	10,650	8,864
Total operating expenses	<u>669,900</u>	<u>669,900</u>	<u>617,463</u>
Operating income	<u>\$ -</u>	<u>\$ -</u>	-
Net assets - beginning			<u>-</u>
Net assets - ending			<u>\$ -</u>

Village of Algonquin, Illinois

Internal Service Fund - Building Service Fund

Schedule of Operating Expenses - Budget and Actual
Year Ended April 30, 2010

	Original Budget	Final Budget	Actual
Operating expenses			
Personnel			
IMRF	\$ 24,250	\$ 24,250	\$ 21,184
FICA	12,600	12,600	16,668
SUI	400	400	520
Health insurance	32,190	32,190	37,392
Salaries	222,900	222,900	213,905
Overtime	10,000	10,000	13,547
	<u>302,340</u>	<u>302,340</u>	<u>303,216</u>
Contractual services			
Telephone	3,770	3,770	1,064
Natural gas	4,200	4,200	-
Professional services	300	300	1,007
Publications	600	600	150
Printing and advertising	760	760	85
Equipment rental	1,000	1,000	-
Grounds service	29,420	-	-
Physical Exams	400	400	-
	<u>40,450</u>	<u>11,030</u>	<u>2,306</u>
Supplies and materials			
Office supplies	400	400	302
Postage	200	200	-
Building supplies	97,600	97,600	96,242
Tools, equipment and supplies	14,800	14,321	3,901
Fuel	3,500	3,500	1,010
Office furniture and equipment	7,180	7,659	7,079
	<u>123,680</u>	<u>123,680</u>	<u>108,534</u>
Maintenance			
Vehicle maintenance	4,500	4,500	10,345
Equipment maintenance	2,500	2,500	239
Buildings maintenance	-	-	1,127
Grounds Maintenance	645	645	-
Outsourced building maintenance	184,835	214,255	182,173
Office equipment maintenance	300	300	659
	<u>192,780</u>	<u>222,200</u>	<u>194,543</u>

(Continued)

Village of Algonquin, Illinois

Internal Service Fund - Building Service Fund

Schedule of Operating Expenses - Budget and Actual (Continued)

Year Ended April 30, 2010

	Original Budget	Final Budget	Actual
Operating expenses (continued)			
Other charges			
Travel, training and dues	\$ 8,200	\$ 8,200	\$ 6,445
Uniforms and safety items	2,450	2,450	2,419
	<u>10,650</u>	<u>10,650</u>	<u>8,864</u>
Total operating expenses	<u>\$ 669,900</u>	<u>\$ 669,900</u>	<u>\$ 617,463</u>

Village of Algonquin, Illinois

Internal Service Fund - Vehicle Maintenance Fund

Schedule of Revenues, Expenses and
Changes in Net Assets - Budget and Actual
Year Ended April 30, 2010

	Original Budget	Final Budget	Actual
Operating revenues			
Charges for services			
Maintenance billings	\$ 774,600	\$ 774,600	\$ 763,445
Fire district fuel	57,250	57,250	55,122
Fuel billings	263,400	263,400	239,147
Miscellaneous	-	-	160
Total operating revenues	<u>1,095,250</u>	<u>1,095,250</u>	<u>1,057,874</u>
Operating expenses			
Personnel	368,150	368,150	365,403
Contractual services	34,230	33,830	14,072
Supplies and materials	571,225	571,225	562,747
Maintenance	106,295	106,695	107,500
Other charges	15,350	15,350	8,152
Total operating expenses	<u>1,095,250</u>	<u>1,095,250</u>	<u>1,057,874</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, 2010

	Original Budget	Final Budget	Actual
Operating expenses			
Personnel			
IMRF	\$ 27,800	\$ 27,800	\$ 25,246
FICA	20,575	20,575	19,744
SUI	775	775	536
Health insurance	52,000	52,000	52,021
Salaries	258,000	258,000	260,301
Overtime	9,000	9,000	7,555
	<u>368,150</u>	<u>368,150</u>	<u>365,403</u>
Contractual services			
Telephone	5,020	5,020	2,365
Natural gas	11,000	11,000	-
Professional services	8,900	8,900	8,064
Publications	6,600	6,600	3,349
Printing and advertising	760	360	105
Equipment rental	1,550	1,550	189
Physical exams	400	400	-
	<u>34,230</u>	<u>33,830</u>	<u>14,072</u>
Supplies and materials			
Office supplies	600	600	580
Postage	200	200	141
Building supplies	100	100	-
Tools, equipment and supplies	10,200	9,721	8,854
Fuel	12,000	12,000	8,641
Oil, lubricants, and fluids	545,850	545,850	541,777
Office furniture and equipment	2,275	2,754	2,754
	<u>571,225</u>	<u>571,225</u>	<u>562,747</u>
Maintenance			
Vehicle maintenance	6,500	6,500	18,446
Equipment maintenance	3,500	3,500	5,717
Building maintenance	56,950	56,950	42,864
Grounds maintenance	645	645	-
Outsourced vehicle and equipment maintenance	38,000	38,000	39,931
Office equipment maintenance	700	1,100	542
	<u>106,295</u>	<u>106,695</u>	<u>107,500</u>

(Continued)

Village of Algonquin, Illinois

Internal Service Fund - Vehicle Maintenance Fund

Schedule of Operating Expenses - Budget and Actual (Continued)
Year Ended April 30, 2010

	Original Budget	Final Budget	Actual
Operating expenses (continued)			
Other charges			
Travel, training and dues	\$ 8,500	\$ 8,500	\$ 3,188
Uniforms and safety items	6,850	6,850	4,964
	<u>15,350</u>	<u>15,350</u>	<u>8,152</u>
Total operating expenses	<u>\$ 1,095,250</u>	<u>\$ 1,095,250</u>	<u>\$ 1,057,874</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, 2010

	Original Budget	Final Budget	Actual
<hr/>			
Additions			
Contributions			
Employer	\$ 769,000	\$ 769,000	\$ 767,532
Employee	390,000	390,000	378,468
	<u>1,159,000</u>	<u>1,159,000</u>	<u>1,146,000</u>
Investment income			
Net appreciation in fair value of investments	67,454	67,454	901,316
Interest income	207,546	207,546	202,162
Less investment expenses	(70,000)	(70,000)	(56,019)
	<u>205,000</u>	<u>205,000</u>	<u>1,047,459</u>
Total additions	<u>1,364,000</u>	<u>1,364,000</u>	<u>2,193,459</u>
Deductions			
Administration	5,000	11,000	9,602
Pension benefits and refunds	240,000	234,000	219,180
Total deductions	<u>245,000</u>	<u>245,000</u>	<u>228,782</u>
Change in net assets	<u>\$ 1,119,000</u>	<u>\$ 1,119,000</u>	1,964,677
Net assets - beginning			<u>8,910,341</u>
Net assets - ending			<u>\$ 10,875,018</u>

Village of Algonquin, Illinois

Agency Fund - Developer Deposits

Statement of Changes in Assets and Liabilities
Year Ended April 30, 2010

	Balance, May 1	Additions	Deductions	Balance, April 30
<hr/>				
Assets				
Cash and cash equivalents	\$ 880,695	\$ 175,081	\$ 470,470	\$ 585,306
<hr/>				
Liabilities				
Deposits	\$ 880,695	\$ 175,081	\$ 470,470	\$ 585,306
<hr/>				

OTHER SUPPLEMENTARY INFORMATION

Village of Algonquin, Illinois

Long-Term Debt Requirements
 General Obligation Refunding Bonds, Series 2001A
 April 30, 2010

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	
2011	\$ 17,123	\$ 405,000	\$ 17,123	\$ 439,246
2012	8,213	365,000	8,213	381,426
	<u>\$ 25,336</u>	<u>\$ 770,000</u>	<u>\$ 25,336</u>	<u>\$ 820,672</u>

Village of Algonquin, Illinois

Long-Term Debt Requirements
 General Obligation Bonds, Series 2002A
 April 30, 2010

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	
2011	\$ 63,378	\$ 500,000	\$ 63,378	\$ 626,756
2012	52,753	535,000	52,753	640,506
2013	41,050	560,000	41,050	642,100
2014	28,450	600,000	28,450	656,900
2015	14,950	650,000	14,950	679,900
	<u>\$ 200,581</u>	<u>\$ 2,845,000</u>	<u>\$ 200,581</u>	<u>\$ 3,246,162</u>

Village of Algonquin, Illinois

Long-Term Debt Requirements
General Obligation Bonds, Series 2002B
April 30, 2010

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	\$ 500,143	\$ 174,857	\$ 675,000
2017	473,498	201,502	675,000
2018	447,824	227,176	675,000
2019	438,823	261,177	700,000
2020	414,224	285,776	700,000
2021	310,532	249,468	560,000
	<u>\$ 2,585,044</u>	<u>\$ 1,399,956</u>	<u>\$ 3,985,000</u>

Village of Algonquin, Illinois

Long Term Debt Obligations
 General Obligation Bonds, Series 2005A
 April 30, 2010

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

Principal and Interest Requirements

Fiscal Year	October 1 Interest	April 1		Total
		Principal	Interest	
2011	\$ 177,418	\$ 50,000	\$ 177,418	\$ 404,836
2012	176,480	100,000	176,480	452,960
2013	174,580	500,000	174,580	849,160
2014	164,830	525,000	164,830	854,660
2015	154,593	550,000	154,593	859,185
2016	143,868	575,000	143,868	862,735
2017	132,655	600,000	132,655	865,310
2018	120,955	625,000	120,955	866,910
2019	108,768	665,000	108,768	882,535
2020	95,800	700,000	95,800	891,600
2021	81,975	725,000	81,975	888,950
2022	67,475	775,000	67,475	909,950
2023	51,781	800,000	51,781	903,563
2024	35,581	850,000	35,581	921,163
2025	18,156	875,000	18,156	911,313
	<u>\$ 1,704,914</u>	<u>\$ 8,915,000</u>	<u>\$ 1,704,914</u>	<u>\$ 12,324,829</u>

Village of Algonquin, Illinois

Long Term Debt Obligations
 General Obligation Bonds, Series 2005B
 April 30, 2010

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

Principal and Interest Requirements

Fiscal Year	October 1 Interest	April 1		Total
		Principal	Interest	
2011	\$ 57,328	\$ -	\$ 57,328	\$ 114,656
2012	57,328	-	57,328	114,656
2013	57,328	-	57,328	114,656
2014	57,328	-	57,328	114,656
2015	57,328	-	57,328	114,656
2016	57,328	535,000	57,328	649,656
2017	46,963	550,000	46,963	643,926
2018	36,238	575,000	36,238	647,476
2019	25,025	625,000	25,025	675,050
2020	12,838	650,000	12,838	675,676
	<u>\$ 465,032</u>	<u>\$ 2,935,000</u>	<u>\$ 465,032</u>	<u>\$ 3,865,064</u>

STATISTICAL SECTION
(unaudited)

Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	99-104
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the Village's ability to generate its property and sales taxes.	105-110
Debt Capacity These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.	111-114
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place and to help make comparisons over time and with other governments.	115-117
Operating Information These schedules contain information about the Village's operations and resources to help the reader understand how the Village's financial information relates to the services the Village provides and the activities it performs.	118-120

Sources:

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

Village of Algonquin, Illinois

Net Assets by Component
Last Seven Fiscal Years

	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
Governmental Activities							
Invested in Capital Assets Net of Related Debt	\$ 151,374,388	\$ 183,288,852	\$ 183,861,002	\$ 181,289,769	\$ 185,504,246	\$ 179,027,466	\$ 176,607,596
Restricted	1,641,311	1,109,522	1,143,253	6,507,747	5,615,510	6,281,547	7,376,272
Unrestricted	5,633,822	7,566,682	10,808,910	8,448,512	6,286,051	7,633,118	7,055,416
Total Governmental Activities	\$ 158,649,521	\$ 191,965,056	\$ 195,813,165	\$ 196,246,028	\$ 197,405,807	\$ 192,942,131	\$ 191,039,284
Business-type Activities							
Invested in Capital Assets Net of Related Debt	\$ 46,225,747	\$ 66,551,245	\$ 62,525,345	\$ 67,709,537	\$ 74,099,851	\$ 73,436,233	\$ 63,883,643
Restricted	681,047	676,399	1,150,782	785,446	804,588	406,000	920,000
Unrestricted	8,415,453	5,103,093	9,517,702	6,085,709	2,254,481	4,727,611	5,027,550
Total Business-type Activities	\$ 55,322,247	\$ 72,330,737	\$ 73,193,829	\$ 74,580,692	\$ 77,158,920	\$ 78,569,844	\$ 69,831,193
Total							
Invested in Capital Assets Net of Related Debt	\$ 197,600,135	\$ 249,840,097	\$ 246,386,347	\$ 248,999,306	\$ 259,604,097	\$ 252,463,699	\$ 240,491,239
Restricted	2,322,358	1,785,921	2,294,035	7,293,193	6,420,098	6,687,547	8,296,272
Unrestricted	14,049,275	12,669,775	20,326,612	14,534,221	8,540,532	12,360,729	12,082,966
Total Primary Government	\$ 213,971,768	\$ 264,295,793	\$ 269,006,994	\$ 270,826,720	\$ 274,564,727	\$ 271,511,975	\$ 260,870,477

Data Source

Audited Financial Statements

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

	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
Expenses							
Governmental Activities							
General Government	\$ 3,431,227	\$ 5,287,207	\$ 4,382,832	\$ 7,486,196	\$ 4,378,364	\$ 4,618,093	\$ 4,511,797
Public Safety	5,460,846	5,681,127	6,808,738	6,023,380	6,987,936	7,686,244	7,924,602
Public Works	5,710,739	7,383,989	7,655,372	7,567,852	9,844,829	16,991,574	12,154,994
Interest	364,595	359,523	428,104	440,111	378,502	408,053	395,572
Total Governmental Activities Expenses	14,967,407	18,711,846	19,275,046	21,517,539	21,589,631	29,703,964	24,986,965
Business-type Activities							
Water and Sewer	5,598,450	9,660,213	6,838,648	7,530,363	7,600,797	8,708,844	16,311,087
Total Business-type Activities Expenses	5,598,450	9,660,213	6,838,648	7,530,363	7,600,797	8,708,844	16,311,087
Total Primary Government Expenses	\$ 20,565,857	\$ 28,372,059	\$ 26,113,694	\$ 29,047,902	\$ 29,190,428	\$ 38,412,808	\$ 41,298,052
Program Revenues							
Governmental Activities							
Charges for Services							
General Government	\$ 1,361,652	\$ 2,041,643	\$ 1,510,482	\$ 1,523,407	\$ 1,266,281	\$ 1,416,942	\$ 732,201
Public Safety	890,323	853,227	645,748	610,043	715,082	745,832	1,223,423
Public Works	75,090	86,102	34,570	105,074	78,279	42,130	21,704
Operating Grants and Contributions							
Contributions	2,569,938	3,485,828	1,604,390	1,213,851	1,156,090	1,017,003	971,168
Capital Grants and Contributions							
Contributions	16,116,299	32,715,967	4,109,196	1,586,198	1,487,548	3,807,774	1,579,772
Total Governmental Activities Program Revenues	21,013,302	39,182,767	7,904,386	5,038,573	4,703,280	7,029,681	4,528,268
Business-type Activities							
Charges for Services							
Water and Sewer	5,933,858	8,026,313	7,273,018	5,665,128	5,602,144	5,624,824	5,201,422
Operating Grants and Contributions							
Contributions	1,108,796	499,280	3,200	1,090	54,641	34,040	37,071
Capital Grants and Contributions							
Contributions	5,864,326	17,961,942	179,541	-	465,381	959,913	-
Total Business-type Activities Program Revenues	12,906,980	26,487,535	7,455,759	5,666,218	6,122,166	6,618,777	5,238,493
Total Primary Government Program Revenues	\$ 33,920,282	\$ 65,670,302	\$ 15,360,145	\$ 10,704,791	\$ 10,825,446	\$ 13,648,458	\$ 9,766,761
Net (Expense) Revenue							
Governmental Activities	\$ 6,045,895	\$ 20,470,921	\$ (11,370,660)	\$ (16,478,966)	\$ (16,886,351)	\$ (22,674,283)	\$ (20,458,697)
Business-type Activities	7,308,530	16,827,322	617,111	(1,864,145)	(1,478,631)	(2,090,067)	(11,072,594)
Total Primary Government Net (Expense) Revenue	\$ 13,354,425	\$ 37,298,243	\$ (10,753,549)	\$ (18,343,111)	\$ (18,364,982)	\$ (24,764,350)	\$ (31,531,291)

(Continued)

Village of Algonquin, Illinois

Change in Net Assets (Continued)
Last Seven Fiscal Years

	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
General Revenues and Other Changes in Net Assets							
Governmental Activities							
Taxes							
Property	\$ 3,296,024	\$ 3,889,332	\$ 4,266,257	\$ 4,720,450	\$ 5,168,603	\$ 5,583,456	\$ 5,939,181
Sales	3,569,189	4,105,890	5,573,263	6,543,069	6,510,307	6,848,007	7,550,234
Income and Use	1,732,317	2,231,053	2,496,391	2,771,039	3,426,760	3,067,163	2,676,478
Utility	1,070,443	1,145,222	1,397,896	1,739,948	1,023,062	1,014,164	947,168
Other	1,135,522	1,219,739	1,124,126	512,757	899,998	887,618	866,264
Investment Earnings	126,958	158,115	325,513	615,840	601,941	342,425	215,056
Miscellaneous	(407,067)	95,263	35,323	8,726	415,459	467,774	361,469
Total Governmental Activities	10,523,386	12,844,614	15,218,769	16,911,829	18,046,130	18,210,607	18,555,850
Business-type Activities							
Sales	-	-	-	2,568,447	3,567,652	3,112,492	2,282,512
Investment Earnings	114,704	181,168	245,981	577,561	230,995	79,999	51,431
Miscellaneous	(250,395)	-	-	105,000	258,212	308,500	-
Total Business-type Activities	(135,691)	181,168	245,981	3,251,008	4,056,859	3,500,991	2,333,943
Total Primary Government	\$ 10,387,695	\$ 13,025,782	\$ 15,464,750	\$ 20,162,837	\$ 22,102,989	\$ 21,711,598	\$ 20,889,793
Change in Net Assets							
Governmental Activities	\$ 16,569,281	\$ 33,315,535	\$ 3,848,109	\$ 432,863	\$ 1,159,779	\$ (4,463,676)	\$ (1,902,847)
Business-type Activities	7,172,839	17,008,490	863,092	1,386,863	2,578,228	1,410,924	(8,738,651)
Total Primary Government	\$ 23,742,120	\$ 50,324,025	\$ 4,711,201	\$ 1,819,726	\$ 3,738,007	\$ (3,052,752)	\$ (10,641,498)

Data Source

Audited Financial Statements

Village of Algonquin, Illinois

Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$ 65,287	\$ -	\$ 56,663	\$ 67,970	\$ 73,572	\$ 73,689	\$ 489,665	\$ 128,273	\$ 91,051	\$ 820,482
Designated	-	-	-	-	-	-	439,570	370,413	723,366	630,847
Unreserved	2,909,169	2,044,362	1,155,543	1,984,223	3,846,707	4,737,674	5,766,026	7,240,821	7,537,908	8,031,591
Total General Fund	\$ 2,974,456	\$ 2,044,362	\$ 1,212,206	\$ 2,052,193	\$ 3,920,279	\$ 4,811,363	\$ 6,695,261	\$ 7,739,507	\$ 8,352,325	\$ 9,482,920
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ 2,135,363	\$ 1,570,213	\$ 4,505,881	\$ 6,095,826	\$ 5,580,401	\$ 6,191,767	\$ 6,633,759
Unreserved, reported in										
Special Revenue Funds	7,497,457	8,104,587	6,875,752	3,567,165	3,715,606	3,074,909	2,199,087	2,347,141	3,088,941	2,363,027
Capital Project Funds	1,543,668	7,850,974	2,719,338	31,162	(21,899)	63,877	74,556	80,778	127,264	129,144
Debt Service Funds	537,517	582,010	595,259	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 9,578,642	\$ 16,537,571	\$ 10,190,349	\$ 5,733,690	\$ 5,263,920	\$ 7,644,667	\$ 8,369,469	\$ 8,008,320	\$ 9,407,972	\$ 9,125,930

Data Source

Audited Financial Statements

Village of Algonquin, Illinois

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Taxes	\$ 5,768,528	\$ 6,456,006	\$ 7,630,517	\$ 10,687,467	\$ 12,502,435	\$ 14,729,311	\$ 16,215,537	\$ 17,517,779	\$ 17,616,380	\$ 18,408,483
Licenses and Permits	1,130,910	1,195,121	1,081,629	711,050	1,564,632	1,111,868	798,701	716,764	934,656	339,520
Intergovernmental, grants and contributions	3,699,363	3,068,438	3,446,123	2,603,352	3,485,828	2,414,341	1,723,544	1,328,505	1,591,706	1,696,032
Charges for Services	838,563	849,321	902,084	811,630	557,327	480,582	815,555	696,065	520,417	463,882
Fines and Forfeitures	523,258	641,270	564,154	804,387	859,013	576,564	583,982	615,449	694,899	1,132,348
Investment Income	640,433	442,898	378,085	126,958	158,115	325,514	615,840	601,942	342,425	215,055
Miscellaneous	591,643	1,147,376	772,364	148,336	135,415	65,359	76,337	74,794	128,001	55,366
Total Revenues	13,192,698	13,800,430	14,774,956	15,893,180	19,262,765	19,703,539	20,829,496	21,551,298	21,828,484	22,310,686
Expenditures										
General Government	2,056,607	2,338,553	2,502,442	3,096,296	4,198,060	4,040,376	3,954,995	4,018,830	4,159,903	4,030,535
Public Safety	3,374,457	3,736,608	4,563,809	5,175,559	5,479,560	6,622,469	6,322,486	6,784,724	7,516,079	7,730,736
Highways and Streets	1,737,132	2,029,600	2,341,470	-	-	-	-	-	-	-
Public Works	-	-	-	3,181,664	4,479,163	3,978,291	4,531,800	6,609,056	5,101,332	6,098,858
Culture and Recreation	593,221	1,044,047	1,749,971	-	-	-	-	-	-	-
Miscellaneous	-	47,480	54,879	-	-	-	-	-	-	-
Capital Outlay	2,373,845	4,980,188	9,996,548	8,362,461	3,234,345	3,900,017	2,536,631	2,516,044	2,305,322	2,874,139
Debt Service										
Principal	300,000	380,000	365,000	385,000	463,181	504,547	543,317	597,355	451,600	465,000
Interest	215,202	152,403	297,446	271,768	261,888	296,134	331,567	307,192	281,778	262,865
Total Expenditures	10,650,464	14,708,879	21,871,565	20,472,748	18,116,197	19,341,834	18,220,796	20,833,201	19,816,014	21,462,133
Excess of Revenues over (under)										
Expenditures	2,542,234	(908,449)	(7,096,609)	(4,579,568)	1,146,568	361,705	2,608,700	718,097	2,012,470	848,553

(Continued)

Village of Algonquin, Illinois

Changes in Fund Balances of Governmental Funds (Continued)

Last Ten Fiscal Years

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Other financing Sources (Uses)										
Transfers In	\$ 1,184,083	\$ 2,495,312	\$ 1,348,251	\$ 560,319	\$ 562,909	\$ 574,104	\$ 617,081	\$ 1,050,798	\$ 669,376	\$ 678,098
Transfers Out	(1,191,628)	(521,700)	(1,184,790)	(560,319)	(562,909)	(574,104)	(617,081)	(1,085,798)	(669,376)	(678,098)
Proceeds from Capital Lease	-	-	-	-	250,000	-	-	-	-	-
Proceeds from bonds	-	6,672,542	-	-	-	2,935,000	-	-	-	-
Discount on general obligation bonds	-	-	-	-	-	(24,874)	-	-	-	-
Transfer to refunded bond escrow	-	(1,883,335)	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	36,107	1,748	-	-	-	-	-
Total Other Financing Sources (Uses)	(7,545)	6,762,819	163,461	36,107	251,748	2,910,126	-	(35,000)	-	-
Net Change in Fund Balances	\$ 2,534,689	\$ 5,854,370	\$ (6,933,148)	\$ (4,543,461)	\$ 1,398,316	\$ 3,271,831	\$ 2,608,700	\$ 683,097	\$ 2,012,470	\$ 848,553

Debt Service as a Percentage of

Noncapital Expenditures

	6.22%	5.47%	5.58%	5.42%	4.87%	5.19%	5.58%	4.94%	4.19%	3.92%
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Data Source

Audited Financial Statements

Village of Algonquin, Illinois

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

Levy Year	EQUALIZED ASSESSED VALUATION					Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value	Commercial and Industrial		Residential	
	Residential Property	Commercial Property	Industrial Property	Other Property	Number of permits					Value (1)	Number of permits	Value (1)	
2000	\$ 452,961,962	\$ 51,208,983	\$ 7,442,312	\$ 1,971,624	\$ 513,584,881	0.4888	\$ 1,540,754,643	33.333%	6	\$ 4,225,000	376	\$ 56,455,123	
2001	506,639,288	62,111,310	7,824,176	1,552,693	578,127,467	0.5017	1,734,382,401	33.333%	20	13,573,617	596	82,626,545	
2002	577,484,565	70,582,133	8,270,997	1,968,247	658,305,942	0.4559	1,974,917,826	33.333%	34	31,848,464	473	70,479,780	
2003	654,009,810	82,214,307	8,849,966	1,998,214	747,072,297	0.4837	2,241,216,891	33.333%	38	38,050,439	243	34,117,797	
2004	713,442,229	108,993,553	9,917,640	2,083,909	834,437,331	0.4765	2,503,311,993	33.333%	29	29,507,013	286	44,028,568	
2005	797,460,690	136,704,248	10,954,984	1,971,828	947,091,750	0.4641	2,841,275,250	33.333%	19	18,264,861	288	42,870,238	
2006	862,594,920	163,022,809	11,455,468	1,918,372	1,038,991,569	0.4642	3,116,974,707	33.333%	20	41,819,250	113	20,806,545	
2007	919,421,895	179,848,425	14,279,170	2,341,302	1,115,890,792	0.4701	3,347,672,376	33.333%	10	17,450,000	22	6,504,500	
2008	945,636,052	192,038,216	15,042,082	2,357,036	1,155,073,386	0.4849	3,465,220,158	33.333%	10	23,298,000	15	5,344,348	
2009	936,696,159	204,128,666	14,380,217	2,386,354	1,157,591,396	0.4839	3,472,774,188	33.333%	3	1,771,968	3	1,125,170	

Data Source

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

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

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

Grafton Township - Quadrennial (minimum)

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

Village of Algonquin, Illinois

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

	Levy Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Village Direct Rates										
General Corporate	\$ 0.4888	\$ 0.5017	\$ 0.4559	\$ 0.4837	\$ 0.4765	\$ 0.4641	\$ 0.4642	\$ 0.4701	\$ 0.4849	\$ 0.4839
Overlapping Rates										
Fire Districts (4)	2.1062	2.0794	2.1951	2.0966	2.1202	2.0788	2.1485	2.1066	2.1304	2.1466
Kane County	0.4677	0.4529	0.4292	0.3578	0.3467	0.3367	0.3452	0.3322	0.3336	0.3398
Kane County Forest Preserve	0.1634	0.1520	0.1395	0.1270	0.1432	0.1905	0.1747	0.1974	0.1932	0.1997
McHenry County	0.6440	0.6380	0.6725	0.7153	0.7346	0.7278	0.7060	0.6871	0.7014	0.7157
McHenry County Conservation	0.1254	0.1808	0.1734	0.1663	0.1580	0.1490	0.1425	0.1738	0.1732	0.1775
Park Districts (3)	0.8198	0.7403	0.6960	0.7603	0.7577	0.7313	0.7121	0.6862	0.6580	0.6959
Public Libraries (3)	0.7017	0.7244	0.7484	0.7199	0.7104	0.6675	0.8695	0.8456	0.8438	0.8693
Road & Bridge (3)	0.3008	0.2898	0.2769	0.2587	0.2439	0.2335	0.2281	0.2210	0.2237	0.2283
Schools (4)	9.3110	9.5809	9.1332	8.6983	8.9773	9.0626	8.7973	8.5327	8.4892	8.7353
Townships (3)	0.3425	0.3341	0.3217	0.3051	0.2899	0.2753	0.2411	0.2527	0.2522	0.2620

Data Source

Office of the County Clerk

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

Village of Algonquin, Illinois

Principal Property Taxpayers
Current Year and Five Years Ago

Taxpayer	2009			2004*		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
In Retail Fund Algonquin Commons LLC	\$ 31,487,283	1	2.72%	\$ 4,092,499	3	0.49%
Rubloff Oakridge Algonquin LLC	9,412,240	2	0.81%	-	-	0.00%
Algonquin Randall LLC	6,354,612	3	0.55%	-	-	0.00%
Target Corporation	4,835,791	4	0.42%	3,983,003	4	0.48%
Wal-Mart Real Estate	5,354,964	5	0.46%	3,691,297	7	0.44%
LTF USA Real Estate LLC	4,086,415	6	0.35%	3,832,384	6	0.46%
Meijer Stores LTD Partnership	3,976,726	7	0.34%	5,184,463	2	0.62%
HD Development of MD Inc.	3,651,457	8	0.32%	3,092,940	8	0.37%
Jewel Food Stores Inc.	3,602,690	9	0.31%	-	-	0.00%
RPA Shopping Center Ph. 1 LLC	3,246,540	10	0.28%	3,050,000	9	0.37%
Woods creek Shopping Center	-		0.00%	7,752,396	1	0.93%
River Point Shopping Center	-		0.00%	3,966,659	5	0.48%
Algonquin Towne Center	-		0.00%	2,849,662	10	0.34%
	<u>\$ 76,008,718</u>		<u>6.57%</u>	<u>\$ 41,495,303</u>		<u>4.97%</u>

Office of the County Clerk

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

* 2004 is the most recent information available.

Village of Algonquin, Illinois

Property Tax Levies and Collections
Last Ten Levy Years

Levy Year	Tax Levied	Collected within the Fiscal Year after the Levy	
		Amount	Percentage of Levy
2000	\$ 2,350,739	\$ 2,504,053	106.52%
2001	2,870,821	2,865,875	99.83%
2002	3,031,293	3,028,404	99.90%
2003	3,613,946	3,611,296	99.93%
2004	3,975,083	3,967,470	99.81%
2005	4,395,747	4,398,561	100.06%
2006	4,831,368	4,826,506	99.90%
2007	5,244,824	5,241,875	99.94%
2008	5,601,009	5,590,021	99.80%
2009	5,601,006	N/A	N/A

Data Source

Office of the County Clerk

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

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

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

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

Village of Algonquin, Illinois

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

	Calendar Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Merchandise	\$ -	\$ -	\$ -	\$ 137,617	\$ 1,058,941	\$ 1,040,830	\$ 1,134,546	\$ 1,181,247	\$ 1,128,164	\$ 1,196,336
Food	640,038	852,672	1,175,490	1,355,084	541,265	494,863	668,337	792,506	903,485	987,441
Drinking and Eating Places	206,762	241,338	294,464	326,706	380,648	573,544	625,786	632,570	622,420	634,989
Apparel	-	1,195	-	7,293	125,721	490,072	549,577	575,270	509,925	455,968
Furniture & H.H. & Radio	29,778	30,980	26,155	43,667	119,671	423,118	629,713	727,475	639,712	528,320
Lumber, Building, Hardware	319,595	326,660	340,652	369,377	349,357	313,334	324,388	341,289	356,094	312,403
Automobile and Filling Stations	137,134	133,934	165,283	305,002	980,034	1,067,088	1,110,196	1,159,194	1,173,824	1,051,475
Drugs and Miscellaneous Retail	268,698	311,220	301,959	316,753	391,772	587,094	775,525	870,839	866,106	1,047,092
Agriculture and All Others	161,648	194,278	206,661	121,758	142,410	165,951	184,814	192,069	180,022	125,987
Manufacturers	102,916	118,557	99,685	129,754	141,810	135,846	116,495	126,597	109,840	103,914
Total	\$ 1,866,569	\$ 2,210,834	\$ 2,618,726	\$ 3,308,709	\$ 4,057,929	\$ 5,291,741	\$ 6,144,349	\$ 6,599,056	\$ 6,504,882	\$ 6,455,352
Total Number of Payers	560	580	700	674	770	906	944	989	825	801
Village direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Village home rule sales tax rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.75%	0.75%	0.75%	0.75%

Data Source

Illinois Department of Revenue

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

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

Village of Algonquin, Illinois

Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

Fiscal Year	Village Direct Rate	State Rate
2001	1.00%	5.50%
2002	1.00%	5.50%
2003	1.00%	5.50%
2004	1.00%	5.50%
2005	1.00%	5.50%
2006	1.00%	5.50%
2007	1.75%	5.50%
2008	1.75%	5.50%
2009	1.75%	6.00%
2010	1.75%	6.00%

Data Source

Village and County Records

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

Village of Algonquin, Illinois

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities		Business-Type Activities		Total Primary Government	Ratio of Total Outstanding Debt To Equalized Assessed Valuation*	Total Outstanding Debt Per Capita*
	General Obligation Bonds	Capital Leases	General Obligation Bonds	Revenue Bonds			
2001	\$ 3,520,000	\$ -	\$ -	\$ 3,975,000	\$ 7,495,000	1.46%	\$ 304.06
2002	8,078,794	-	2,295,000	1,520,000	11,893,794	2.06%	441.25
2003	7,807,243	-	2,170,000	1,310,000	11,287,243	1.71%	404.78
2004	7,612,841	-	2,050,000	1,095,000	10,757,841	1.44%	363.44
2005	7,202,882	201,819	1,905,000	890,000	10,199,701	1.22%	334.75
2006	9,798,530	142,272	10,750,000	680,000	21,370,802	2.26%	684.74
2007	9,429,767	78,955	10,580,000	460,000	20,548,722	1.98%	658.40
2008	9,016,888	11,600	10,385,000	225,000	19,638,488	1.76%	644.27
2009	8,700,204	-	10,170,000	-	18,870,204	1.63%	619.06
2010	8,365,044	-	9,685,000	-	18,050,044	1.56%	592.15

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

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

Village of Algonquin, Illinois

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available In Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita	
2001	\$ 3,520,000	\$ 537,517	\$ 2,982,483	0.58%	\$ 120.99	3
2002	10,373,794	582,010	9,791,784	1.69%	363.26	3
2003	9,977,243	595,259	9,381,984	1.43%	336.45	1
2004	9,662,841	489,627	9,173,214	1.23%	309.91	3
2005	9,107,882	460,691	8,647,191	1.04%	283.84	3
2006	20,548,530	3,362,628	17,185,902	1.81%	550.65	3
2007	20,009,767	3,408,084	16,601,683	1.60%	518.80	3
2008	19,401,888	3,449,882	15,952,006	1.54%	523.33	1
2009	18,870,204	3,460,655	15,409,549	1.33%	505.53	1
2010	18,050,044	3,473,130	14,576,914	1.26%	478.21	1

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

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

Per Capita:

- 1 - Special Census
- 2 - Federal Census
- 3 - Estimate

Village of Algonquin, Illinois

Direct and Overlapping Governmental Activities Debt
As of April 30, 2010

Governmental unit	Gross Debt	Percentage Debt Applicable to the Village of Algonquin*	Village of Algonquin Share of Debt
Kane County	\$ 39,225,000	1.96%	\$ 768,810
McHenry County	-	-	-
McHenry County Conservation District	146,490,000	8.09%	11,851,041
Kane County Forest Preserve	235,480,000	1.96%	4,615,408
Dundee Township Park District	5,853,900	15.41%	902,086
Huntley Park District	16,835,000	9.70%	1,632,995
Dundee Township	12,600,000	15.42%	1,942,920
Algonquin Library	5,850,000	76.69%	4,486,365
Huntley Library	705,000	4.02%	28,341
Schools			
District No. 300	309,826,012	34.89%	108,098,296
District No. 158	55,310,339	10.11%	5,591,875
District No. 509	<u>86,087,952</u>	9.44%	<u>8,126,703</u>
Subtotal, overlapping debt	<u>914,263,203</u>		<u>148,044,840</u>
Village of Algonquin direct debt	\$ 18,050,044	100.00%	\$ 18,050,044
Total direct and overlapping debt	<u>\$ 932,313,247</u>		<u>\$ 166,094,884</u>

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

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

Village of Algonquin, Illinois

Schedule of Legal Debt Margin
April 30, 2010

The Village is a home rule municipality.

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

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

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

Village of Algonquin, Illinois

Pledged Revenue Coverage
Last Ten Fiscal Years

Water Revenue Bonds							
Fiscal Year	Water Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest		
2001	\$ 7,745,259	\$ 2,997,515	\$ 4,747,744	\$ 255,000	\$ 254,300	9.32	
2002	8,750,460	3,165,383	5,585,077	310,000	148,775	12.17	
2003	8,398,757	3,285,507	5,113,250	210,000	49,610	19.70	
2004	7,157,358	3,423,976	3,733,382	215,000	43,730	14.43	
2005	8,706,761	3,908,619	4,798,142	205,000	37,710	19.77	
2006	7,701,740	3,732,996	3,968,744	210,000	31,560	16.43	
2007	8,917,226	4,029,257	4,887,969	210,000	24,946	20.80	
2008	9,713,644	4,219,823	5,493,821	235,000	17,246	21.78	
2009	9,286,350	4,645,700	4,640,650	225,000	8,550	19.87	
2010	7,572,436	5,073,600	2,498,836	-	-	-	

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

Water Charges and Other includes investment earnings but excludes sale of property and grants.

Operating expenses do not include debt service, depreciation or reserve requirements.

Village of Algonquin, Illinois

Demographic and Economic Information
Last Ten Fiscal Years

Fiscal Year	Population		Equalized Assessed Value (EAV)	Per Capita EAV	Unemployment Rate
2000	23,276	(A)	\$ 513,584,881	\$ 22,065	2.1%
2001	24,650	(E)	578,127,467	23,453	3.8%
2002	26,955	(E)	658,305,942	24,422	5.6%
2003	27,885	(A)	747,072,297	26,791	5.9%
2004	29,600	(E)	834,437,331	28,190	4.8%
2005	30,470	(E)	947,091,750	31,083	4.7%
2006	31,210	(E)	1,038,991,569	33,290	3.3%
2007	30,482	(A)	1,115,890,792	36,608	3.9%
2008	30,482	(E)	1,155,073,386	37,894	5.1%
2009	30,482	(E)	1,157,591,396	37,976	8.6%

(A) Actual

(E) Estimate

Note: Personal Income data not available.

Information for 2010 not currently available.

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

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

Village of Algonquin, Illinois

Principal Employers

Current Year and Nine Years Ago

Employer	2009			1998		
	Employees	Rank	% of Total Village Population	Employees	Rank	% of Total Village Population
School District Number 300*	404	1	2.65%	285	1	4.57%
Village of Algonquin	168	2	1.10%	95	7	1.52%
Kenmode Tool and Engineering, Inc.	160	3	1.05%	125	4	2.00%
Wauconda Tool and Engineering, Inc.	135	4	0.88%	130	3	2.08%
Meyer Material Co.	100	5	0.66%	30	10	0.48%
Duro-Life Corp.	80	6	0.52%	115	6	1.84%
Schiffmayer Plastics Corp.	50	7	0.33%	200	2	3.21%
Target Manufacturing Inc.	50	7	0.33%	-	-	0.00%
Coldwell Banker Primus	50	7	0.33%	-	-	0.00%
Algonquin State Bank	50	7	0.33%	50	8	0.80%
Burnex Corp	30	8	0.20%	-	-	0.00%
Hanson Material Service Corp.	30	8	0.20%	-	-	0.00%
SubCon Mfg. Corp.	30	8	0.20%	-	-	0.00%
Marshall Wolf Automation, Inc	30	8	0.20%	-	-	0.00%
RE/MAX Unlimited Northwest	28	9	0.18%	-	-	0.00%
Universal Cleaning Service, Inc.	25	10	0.16%	-	-	0.00%
Crystal Die and Mold, Inc	-	-	0.00%	120	5	1.92%
Grecon Manufacturing Inc	-	-	0.00%	40	9	0.64%

Note:

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

Note: Information for 2010 not currently available. Data from 2000 was not available; data from 1998 used for comparison purposes.

Data Source

* Only schools located in the Village of Algonquin

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

Illinois Department of Employment Security . "Local Area Unemployment Statistics (LAUS)." LMI Source. August 24, 2009.

<http://lmi.ides.state.il.us/laus/townh2008.htm>

Village of Algonquin, Illinois

Full-Time Equivalent Employees
Last Ten Fiscal Years

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Full-Time-Equivalent Employees as of April 30										
General Government										
Administration	14	13	15	15	16	17	18	18	22	20
Community Development	10	11	11	11	10	12	12	12	12	12
Public Safety										
Police										
Officers	38	40	41	41	42	46	46	49	50	49
Civilians	10	12	14	14	14	7	7	9	11	11
Public Works										
Public Works Administration	9	7	7	7	8	9	9	7	8	7
Streets Department	10	12	12	12	13	14	14	15	16	16
Parks	9	12	12	13	13	14	14	14	17	17
Building Maintenance	0	0	0	0	0	0	0	3	3	3
Vehicle Maintenance	0	3	4	5	4	5	5	4	6	6
Water										
Water and Sewer	17	18	19	20	20	20	19	22	22	22
Pool	N/A	4	5							
Total	117	128	135	138	140	144	144	153	171	168

Data Source

Village Finance Department

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

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

Village of Algonquin, Illinois

Operating Indicators

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government										
Community Development										
Building permits issued	N/A	1,703	2,043	2,028	2,403	1,913	2,065	1,893	3,377	2,092
Building inspections conducted	N/A	15,600	9,800	9,911	12,414	9,463	6,517	4,290	5,646	4,036
Property maintenance inspections conducted	N/A	1,040	954	1,165	1,219	1,943	2,688	2,452	3,810	3,483
Public Safety										
Police										
Physical arrests	1,100	987	1,015	776	786	279	946	703	939	777
Parking violations	793	617	1,320	576	869	548	1,142	1,243	992	711
Traffic violations	5,304	8,078	9,237	5,940	6,075	2,057	6,394	6,684	6,611	4,524
Public Works										
Streets										
Street resurfacing (miles)	1.33	6.24	1.45	5.60	0.67	1.12	0.80	1.22	0.95	2.50
Potholes repaired	340	325	270	300	280	210	330	370	450	954
Parks and Recreation										
Park sites	16	17	18	19	20	20	21	22	22	22
Developed park acreage	185	199	234	247	251	251	253	155	155	155
Open space	154	154	197	273	273	273	273	512	512	512
Water										
New Connections (tap-ons)	N/A	632	296	365	440	400	400	21	20	5
Average daily consumption*	2,900	2,740	2,930	2,810	2,808	3,003	2,899	2,946	3,000	2,760
Peak daily consumption*	4,000	6,342	6,154	4,443	4,895	5,610	4,679	4,428	4,200	4,671
Wastewater										
Average daily sewage treatment**	2	2	2	3	3	3	3.2	3.0	3.5	3.1

* (thousands of gallons)

** (millions of gallons)

Data Source

Various Village departments

Village of Algonquin, Illinois

Capital Asset Statistics
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Geographic Patrol Areas	5	5	5	5	5	6	6	6	6	6
Public Works										
Streets										
Streets (miles)	N/A	N/A	N/A	200	248	248	249	249	249	249
Streetlights	58	100	130	130	160	160	228	228	228	228
Parks and Recreation										
Acreage	339	353	431	520	524	524	526	647	667	667
Playgrounds	12	13	14	15	16	16	17	18	18	18
Sites with baseball diamonds	7	8	9	9	9	9	9	9	9	9
Sites with soccer fields	8	9	10	10	11	11	11	11	11	11
Sites with basketball courts	9	10	11	12	13	13	13	14	14	14
Sites with tennis courts	3	4	4	4	4	4	4	5	5	5
Water										
Water mains (miles)	N/A	N/A	102	130	150	160	168	168	159	159
Fire hydrants	N/A	N/A	1,573	1,650	2,050	2,180	2,200	2,207	2,049	2,153
Storage capacity*	2.640	2.640	2.640	2.640	2.640	3.390	3.390	3.390	3.390	3.390
Wastewater										
Sanitary sewers (miles)	N/A	N/A	99	112	127	135	135	135	134	136
Treatment capacity*	2.252	3.030	2.799	3.027	2.872	2.834	2.980	2.828	5.000	5.000

Data Source

Various Village departments

* (thousands of gallons)