

Village of Algonquin, Illinois

Comprehensive Annual Financial Report
Year Ended April 30, 2006

Village of Algonquin, Illinois

Comprehensive Annual Financial Report
Year Ended April 30, 2006

Issued by the Finance Department

John R. Walde
Finance Director

Susan Skillman
Assistant Finance Director

INTRODUCTORY SECTION

Village of Algonquin, Illinois

Comprehensive Annual Financial Report

Year Ended April 30, 2006

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Village of Algonquin, Illinois
Principal Officials

April 30, 2006

Legislative

Village Board of Trustees

John C. Schmitt, Village President

Brian Dianis

Robert M. Smith

Jerry Glogowski

John Spella

Barbara W. Reed

Jim A. Steigert

Gerald S. Kautz, Clerk

Appointed Officials

William J. Ganek, Village Manager

John R. Walde, Treasurer



Village of Algonquin

The Gem of the Fox River Valley

October 1, 2006

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, 2006, 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 rather than absolute assurance that the financial statements will be free from material misstatement.

The Village's 2006 CAFR reflects the third year of implementing the Governmental Accounting Standards Board's (GASB) Statement 34 principles. GASB Statement 34 provides expanded reporting which includes Government - Wide Financial Statements, Management's Discussion and Analysis, and 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, 2006, 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 their 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, 2006, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Village of Algonquin

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

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

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

The annual budget serves as the foundation for the Village's financial planning and control. All departments of the Village are required to submit their budget requests to the Village Manager on or before January 31st 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 30th of each year; the close of the Village's previous fiscal year.

Major Initiatives

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

Examples of some of these projects are as follows:

General Services Administration revised the Village's website offering enhanced customer service to the residents including more payment options for water billing such as credit cards and electronic payments. Recycling was increased by 10% in the Village due to a distribution of 64 gallon recycling carts to all households in the Village.

Dispatching for Algonquin Police and Fire Departments was transferred in mid-year to the newly completed Southeast Emergency Communications (SEECOM) regional dispatch center. The Village, together with Crystal Lake and Cary, planned the construction and equipment installation for the opening of SEECOM which serves six Police and six Fire Departments in the McHenry County area. The Police Department co-hosted with Target Corporation a Police and Private Sector Loss Prevention Professional Information Exchange Meeting in order to deter high value shoplifting in the Randall Road corridor. The Police Department also partnered with Rosen Hyundai and Wal-Mart in a Child Safety Program that resulted in the Village's use of a 2005 Hyundai Tucson as a child safety seat vehicle and Wal-Mart's donation of car seats to parents purchasing Hyundai vehicles.

The Village continued to place an emphasis on improving the street infrastructure this year with 4% or 4.8 miles of the street system reconstructed or improved at a cost of \$3.2 million.

Future capital facilities and infrastructure improvements received a dedicated revenue source as the Village Board approved a Home Rule Sales Tax of .75% with the collections earmarked to fund capital improvement plans. The tax was approved by board action with implementation on July 1, 2006. In December 2005, the Village Board approved a \$9 million General Obligation Sewer Bond to partially finance Phase 6 expansion of the Wastewater Treatment Plant. Capital additions of \$4.5 million this fiscal year included the completion of Lakewood Water Tower, Water Treatment Plant #3, SW Interceptor Sewer, and Wells 13 and 15 improvements. The FY 2007 budget continues the ambitious construction program with \$9.9 million allocated to the Phase 6A expansion of the Wastewater Treatment Plant.

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 continues to be better than that of the State and Country as indicated by unemployment rates of 4.7%, 5.7% and 5.1% respectively. The statewide economy, however, has impacted Village finances. A major revenue source, state shared income tax, had experienced reductions in per capita distributions from levels achieved in 2000 and is finally returning to the 2000 level. In addition, the state has been slow in distributing the allocations on a timely basis.

The major industry in the Village is retail sales as measured by the principal taxpayers list and state shared sales tax revenue, which is the Village's number one revenue source. Commercial growth in Algonquin continued with an increase of 25.4% in the assessed value of commercial property. The associated increase in shared sales tax collections was 32.7%.

Debt Administration

As of April 30, 2006, the Village had eight outstanding debt issues, of which seven were general obligation bonds. Two bonds were issued during the year: Series 2005A in the amount of \$9,000,000 to partially finance the expansion of the Wastewater Treatment Plant, and Series 2005B in the amount of \$2,935,000 to refund Bond Series 2002B in 2012. Outstanding were \$20,548,530 for general obligation bonds and \$680,000 for revenue bonds. Continuing its practice, the Village abated \$1,279,354 of debt service attributable to general obligation bonds. Under current state statutes, the Village has no legal debt limit on general obligation debt.

Long-Term Financial Planning

As noted above, Bond Series 2005A and 2005B were issued in December 2005. The proceeds of Series 2005B are escrowed and will pay interest until 2012 when Series 2002B will be paid off. In another financial action, the Village Board approved a .75% Home Rule Sales Tax with the collections to be used for infrastructure and capital purposes. Those funds together with existing revenues will strengthen the Village preference of a "pay as you go" philosophy in financing capital projects. The capital improvement program for street and infrastructure improvements is managed from five capital project funds (Motor Fuel Tax, Street Improvement, Parks, Water and Sewer Improvement and Extension, and Village Expansion). With the exceptions of bonds issued for the financing of the Wastewater Treatment Plant (2005), Village Hall (1995) and Public Works Facility (2002), we have been able to follow the "pay as you go" financing policy for the past decade. The 1995 and 2002 bonds are being financed via the use of sales tax revenues. Algonquin has been active in grant applications for park development with a large degree of success so that a significant portion of the cost is reimbursed from state funds. Water & Sewer expansion is significantly financed by developer construction as well as tap-on fees and annexation agreements.

Cash Management

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

The Police Pension Fund is permitted to invest in equities as well as fixed income bonds with longer maturities. Yields from these assets for the year ended April 30, 2006, were 11.4%.

Risk Management

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

Pension Benefits

The Village sponsors a single-employer defined benefit pension plan for its police officers. Each year, an independent actuary engaged by the Village and the pension plan calculates the amount of the annual contribution that the Village must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. As a matter of policy, the Village fully funds each year's annual required contribution to the pension plan as determined by the actuary. As a result of the Village's conservative funding policy, the Village has succeeded as of April 30, 2006, in funding 61.1% of the actuarial accrued liabilities. The actuarial valuation for the year ended April 30, 2006, determined that the net contribution due from the Village is \$489,474. The remaining unfunded amount is being systematically funded over 27 years as part of the annual required contribution calculated by the actuary.

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

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

Awards & Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Algonquin for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended April 30, 2005. This was the second year that the Village has received this prestigious award. In order to be awarded a Certificate of Achievement, the Village published an easily readable and efficiently organized CAFR. This report satisfied both generally accounting principles and applicable legal requirements.

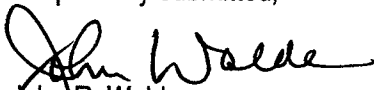
The Village also received the GFOA's Award for Distinguished Budget Presentation for its 2007 budget document. This was the third year the Village has received this prestigious award. In order to receive this award, a government must publish a budget document that meets program criteria as a policy document, 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 2006 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.

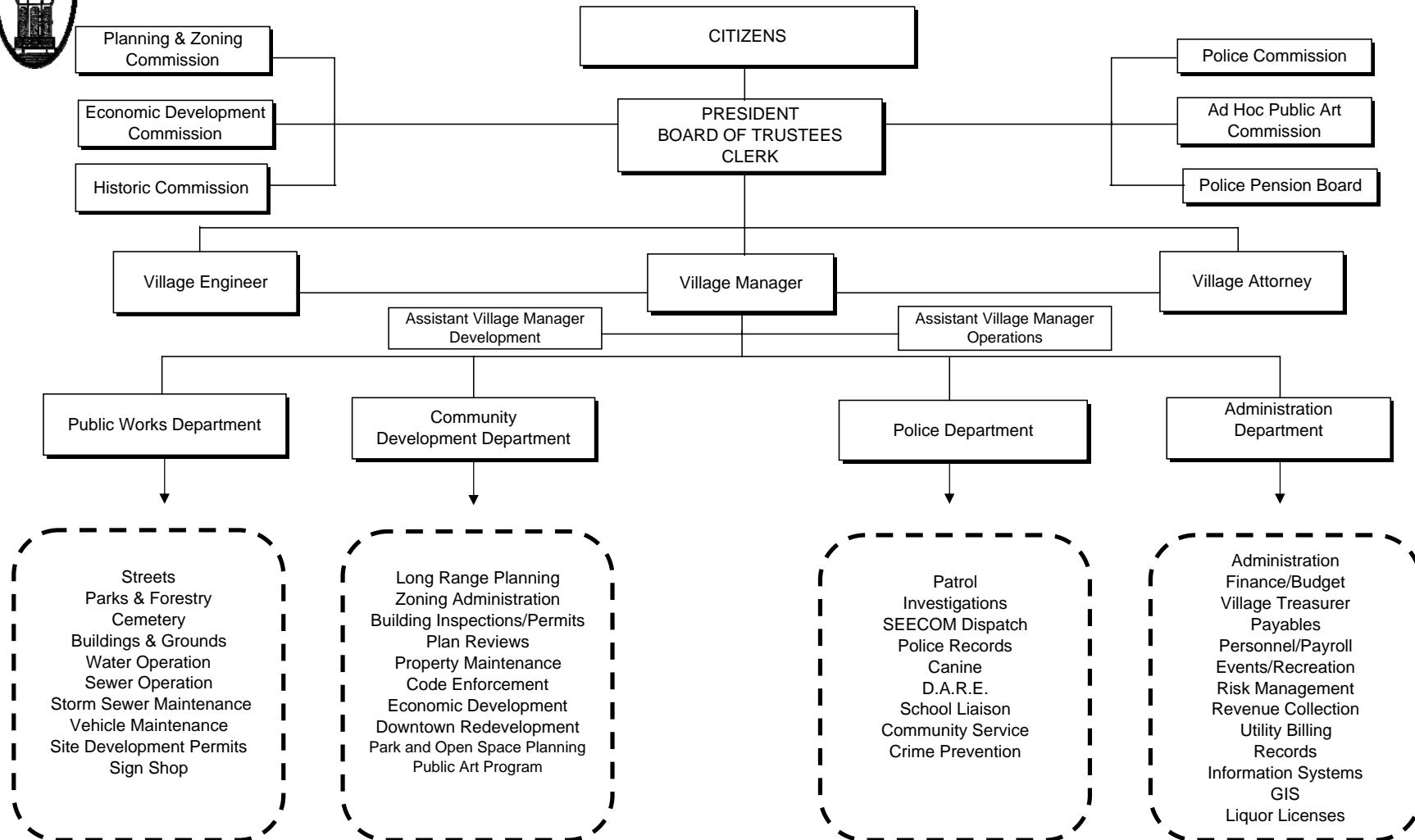
In closing, I would like to thank the Village President, Board of Trustees and Village Manager for their unfailing support for maintaining the highest standards of professionalism in the management of the Village of Algonquin's Finances.

Respectfully submitted,


John R. Walde
Finance Director

VILLAGE OF ALGONQUIN

2006/2007 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, 2005

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.



Carla E. Perry

President

Jeffrey R. Emen

Executive Director

INDEPENDENT AUDITOR'S REPORT

McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Algonquin Illinois, as of and for the year ended April 30, 2006, 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, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

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

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

McGladrey & Pullen, LLP

Schaumburg, Illinois
July 20, 2006

VILLAGE OF ALGONQUIN, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2006

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

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

Financial Highlights

- The Village's net assets increased by \$4.7 million (or 1.8%) during the fiscal year ending April 30, 2006 (FY06). The governmental net assets increased by \$3.8 million (or 2% from FY05) and the business-type activities net assets decreased by \$.9 million (or 1.2% from FY05).
- The Village's total change in net assets compared to FY05 was a decrease of \$45.7 million with the general governmental activities change in net assets decreased by \$29.6 million and the business-type activities change in net assets decreased by \$16.1 million.
- The governmental activities revenue decreased by \$29.1 million (or 55.7%) due mainly to a decrease in capital contributions. The expenses increased by \$.5 million (or 2.7%).
- The business-type activities revenue decreased by \$19.0 million (or 71.1%) due mainly to a decrease in capital contributions. The expenses decreased by \$2.9 million (or 29.9%).
- The total cost of all Village programs decreased by \$2.4 million (or 8.4%).

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL REPORT

The financial statement's focus is on both the Village as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year-to-year or government-to-government) and enhance the Village's accountability.

Government-Wide Financial Statements

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

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

The Statement of Activities (see pages 16 and 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, local utility and shared state income taxes finance the majority of these services. The Business-type Activities reflect private sector type operations (Water and Sewer), where the fee for service typically covers all or most of the cost of operation, including depreciation.

Fund Financial Statements

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

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

The Fund Financial Statements also allow the government to address its Fiduciary Funds (Police Pension and Developer Deposits, see pages 27 and 28). The Police Pension Fund (a pension trust fund) represents trust responsibilities of the Village. These assets are restricted in purpose and do not represent discretionary assets of the government. The Developer Deposits 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 - 24) is the same as the Business-type column on the Government-Wide Financial Statements, the Governmental Major Funds 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 obligations (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

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

be expensed. An "overlay" of a street will be considered maintenance whereas a "rebuild" of a street will be capitalized.

GOVERNMENT-WIDE STATEMENTS

Statement of Net Assets

The Village's combined net assets increased by \$4.7 million from FY05 – increasing from \$264.3 million to \$269.0 million. The following analysis will look at net assets of the governmental and business-type activities separately. The total net assets for the governmental activities increased by \$3.8 million from \$192.0 million to \$195.8 million. The business-type activities net assets increased by \$.9 million from \$72.3 million to \$73.2 million. Table 1 reflects the condensed Statement of Net Assets compared to FY05. Table 2 will focus on the changes in net assets of the governmental and business-type activities.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2006	2005	2006	2005	2006	2005
Current and other assets	\$ 19.2	\$ 15.4	\$ 11.7	\$ 7.9	\$ 30.9	\$ 23.3
Capital assets	193.8	190.7	73.7	69.2	267.5	259.9
Total assets	\$ 213.0	\$ 206.1	\$ 85.4	\$ 77.1	\$ 298.4	\$ 283.2
Long-term liabilities	10.0	7.4	10.8	2.3	20.8	9.7
Other liabilities	7.2	6.7	1.4	2.5	8.6	9.2
Total liabilities	\$ 17.2	\$ 14.1	\$ 12.2	\$ 4.8	\$ 29.4	\$ 18.9
Net Assets:						
Invested in capital						
assets, net of debt	\$ 183.9	\$ 183.3	\$ 62.5	\$ 66.5	\$ 246.4	\$ 249.8
Restricted	1.1	1.1	1.2	0.7	2.3	1.8
Unrestricted	10.8	7.6	9.5	5.1	20.3	12.7
Total net assets	\$ 195.8	\$ 192.0	\$ 73.2	\$ 72.3	\$ 269.0	\$ 264.3

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

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

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 \$4.7 million increase of combined net assets (which is the Village's bottom line) was the result of the governmental activities net assets increasing by \$3.8 million and the business-type activities increasing by \$.9 million.

The governmental activities total assets increased by \$6.9 million and the governmental activities total liabilities increased by \$3.1 million. The total assets increase of \$6.9 million was a result of an increase of \$3.8 million in current and other assets and an increase of \$3.1 million of capital assets. Current assets increased \$2.7 million in cash and investments resulting from \$1.7 million in higher revenues due to strength in the state shared revenues of sales and income tax and \$.4 million in additional property taxes (home rule status resulted in the property tax limitation no longer being applied). Capital assets increased by \$3.1 million as the Village added \$3.3 million in street right-of-way land; there was an increase in streets, storm and bridge improvements of \$1.3 million. There was a total increase of \$.2 million for buildings, vehicle and equipment and other improvements.

The increase in total liabilities of \$3.1 million for the governmental activities was due mainly to increases in G.O. bonds payable of \$2.5 million and increases of \$.4 million for unearned revenue related to property taxes.

The net assets of the business-type activities increased by \$.9 million from \$72.3 to \$73.2 million. Total assets of the business-type activities increased by \$8.3 million from \$77.1 to \$85.4 million. Cash and investments increased by \$3.3 million due to G.O. Bond receipts issued for the wastewater treatment plant expansion. Capital assets increased by \$4.5 million including \$.9 million for land (village purchase for wastewater treatment plant expansion), and \$3.7 million for water and sewer improvements (all from village projects). There was an increase in buildings of \$6.0 million (\$5.9 million for the construction of a water treatment plant).

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

Total liabilities of the business-type activities increased by \$7.4 million from \$4.8 million to \$12.2 million. Long-term liabilities increased by \$8.5 million due to the issuance of G.O. Bonds for the wastewater treatment plant expansion. Accounts payable decreased by \$1.2 million.

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 Year Ended April 30, 2006
(in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
Revenue	2006	2005	2006	2005	2006	2005
Program Revenues						
Charges for Service	\$ 2.2	\$ 3.0	\$ 7.3	\$ 8.0	\$ 9.5	\$ 11.0
Grants and contributions						
Operating	1.6	3.5	-	0.5	1.6	4.0
Capital	4.1	32.7	0.2	18.0	4.3	50.7
General Revenue						
Property	4.3	3.9	-	-	4.3	3.9
Other taxes	10.2	8.8	-	-	10.2	8.8
Other	0.7	0.3	0.2	0.2	0.9	0.5
Total Revenue	23.1	52.2	7.7	26.7	30.8	78.9
Expenses						
Governmental Activities						
General Government	4.4	5.3	-	-	4.4	5.3
Public Safety	6.8	5.7	-	-	6.8	5.7
Public Works	7.7	7.4	-	-	7.7	7.4
Interest	0.4	0.4	-	-	0.4	0.4
Business Type						
Water and Sewer	-	-	6.8	9.7	6.8	9.7
Total Expenses	19.3	18.8	6.8	9.7	26.1	28.5
Change in Net Assets	3.8	33.4	0.9	17.0	4.7	50.4
Net assets - beginning	192.0	158.6	72.3	55.3	264.3	213.9
Net assets - ending	\$ 195.8	\$ 192.0	\$ 73.2	\$ 72.3	\$ 269.0	\$ 264.3

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

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 63.3% 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.

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

Current Year Impacts

Governmental Activities

Revenue:

Total revenues for Governmental Activities decreased \$29.1 million from \$52.2 million to \$23.1 million. The decrease was attributable to capital contributions which decreased by \$28.6 million from \$32.7 million to \$4.1 million as growth in residential development has declined from recent levels. The contributions were attributable to land from street right-of-way. In the prior year, the Village added \$23.6 million in capital infrastructure assets.

The Village has a diversified revenue structure and depends on several key revenue sources to help pay for the services provided. The Village increased its property tax collections by \$.6 million because the Village is no longer subject to the property tax limitation act and we are able to receive the requested levy amount. The Village attempts to maintain our property tax rate and capture new revenues from growth. This year, the Village's Equalized Assessed Value (EAV) increased by 11.7%.

State shared sales tax revenues increased \$1.3 million (32.7%) as the Village continued to expand its economic base as demonstrated by a 25.4% increase in the Commercial Property portion of the Village's EAV. State shared income tax revenues increased \$.3 million due to a year-to-year increase of 13% in the State's per capita allocation to local government.

Building permits decreased by \$.5 million due, in part, to a 25% decrease in residential permits. An improved financial market caused investment income revenue to increase by \$.092 from FY05 (\$.042 to \$.134). The Village investment strategy was unchanged.

Expenses:

The Village's governmental activities total expenses increased by \$.5 million from \$18.8 to \$19.3 million or 2.7%.

The Village's General Government function expenses decreased \$.9 million from \$5.3 to \$4.4 million. The significant decrease was \$.5 million in payments to school districts for school donation impact fees collected from developers.

Public Works increased \$.3 million from \$7.4 to \$7.7 million. The increase was attributable to two additional full-time employees including salaries and benefits.

The Village's Public Safety expenses increased by \$1.1 million from \$5.7 million to \$6.8 million. Sworn officer salaries increased by \$.4 million due to a new union contract, civilian salaries and SEECOM expenses increased by \$.2 million during the transition to SEECOM dispatching, and North Central Narcotics Task Force expenses increased by \$.2 million in the final year of administrative review by the Village.

Business-type Activities

Revenue:

Total revenues for Business-type Activities decreased \$19.0 million from \$26.7 to \$7.7 million. Charges for services increased \$.7 million due to a combination of a 10% increase in water and sewer rates and a 7%

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

increase in gallons billed. Connection fees decreased \$1.3 million attributable to the 25% decrease in residential home permits and a slowing in commercial development as well. Capital contributions (primarily from development) decreased \$17.8 million from \$18.0 to \$.2 million.

Expenses:

The Village's Business-type Activities expenses decreased \$2.9 million from \$9.7 to \$6.8 million. Depreciation expense decreased by \$2.7 million which is related to GASB 34 assets that were almost fully depreciated at implementation and the water and sewer utility expenses decreased by \$.2 million.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Governmental Funds

At April 30, 2006, the General Fund (as presented on the balance sheet on page 18) reported a fund balance of \$4.8 million or an increase of \$.9 million from the beginning of the year. Of the fund balance, \$4.7 million is unreserved indicating availability for continuing Village services. The net increase in the fund balance was primarily due to a working capital contingency in the general government sector that was intended to increase cash reserves to the Village goal of three months of expenditures. Based on expenditures of \$13.7 million, the cash reserve balance is 3.5 months.

General Fund Budgetary Highlights

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

Table 3
General Fund Budgetary Highlights
(in millions)

General Fund	Original Budget	Amended Budget	Actual
Revenues and other financing sources			
Taxes	\$ 13.304	\$ 13.304	\$ 12.771
Intergovernmental	0.163	0.222	0.236
Other	2.126	2.163	2.199
Total	\$ 15.593	\$ 15.689	\$ 15.206
Expenditures and Transfers			
Expenditures	\$ 14.901	\$ 15.099	\$ 13.747
Transfers (Net)	0.591	0.591	0.568
Total	15.492	15.690	14.315
Change in Fund Balance	\$ 0.101	\$ (0.001)	\$ 0.891

For more detailed information see pages 52, and 56 - 59.

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

Actual General Fund revenues were \$.483 million less than the amended budget for 2006. State shared income tax exceeded the budget by \$.34 million as the economy of the Village and the state was stronger than anticipated when preparing the budget. Sales tax revenues were \$.94 million less than budget as new stores were opened later in the year than had been anticipated. Building permits were \$.98 million higher than the amended budget as permits slightly exceeded expectations.

As a result of expenditure amendments of \$.198 million, actual General Fund expenditures and transfers were \$1.375 million less than the Amended Budget. Administration expenditures were \$1.057 million less than budget due to a Working Capital item of \$1.0 million that was intended to increase cash reserves and also serve as a buffer for a possible shortfall in the ambitious sales tax budget if that budget was not attained. Public Safety expenditures were \$.384 million less than budget due to hires late in the fiscal year for new positions and SEECOM billings that were less than budgeted.

Capital Assets

At the end of Fiscal Year 2006, the Village had a combined total of capital assets of \$267.52 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). This amount represents a net increase (including additions and deletions) of \$7.6 million.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2006	2005	2006	2005	2006	2005
Land	\$ 100.34	\$ 97.05	\$ 10.04	\$ 9.10	\$ 110.38	\$ 106.15
Construction in Progress	0.95	2.64	1.15	6.63	2.10	9.27
Buildings	13.76	14.11	12.17	6.21	25.93	20.32
Vehicles and Equipment	1.94	1.83	0.48	0.55	2.42	2.38
Improvements other than Building	6.33	5.87	-	-	6.33	5.87
Streets, Storm Sewers and Bridges	70.48	69.21	-	-	70.48	69.21
Water and Sewer	-	-	49.88	46.71	49.88	46.71
Total	\$ 193.80	\$ 190.71	\$ 73.72	\$ 69.20	\$ 267.52	\$ 259.91

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

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

Table 5
Change in Capital Assets (in millions)

	Governmental Activities	Business-Type Activities	Total
Beginning Balance	\$ 190.71	\$ 69.20	\$ 259.91
Additions			
Depreciable	5.00	12.02	17.02
Non-Depreciation	3.29	0.93	4.22
Construction in Progress	0.65	1.06	1.71
Retirements			
Depreciable	(0.36)	(0.06)	(0.42)
Non-Depreciation	-	-	-
Construction in Progress	(2.34)	(6.54)	(8.88)
Depreciation	(3.46)	(2.91)	(6.37)
Retirement	0.31	0.02	0.33
Ending Balance	\$ 193.80	\$ 73.72	\$ 267.52

The Governmental Activities net increase of \$3.1 million in net Capital Assets was due to continued development in the Village with increases noted in land (\$3.3 million), improvements other than buildings (\$.5 million), and streets and storm sewers (\$1.3 million). Decreases were noted in buildings (\$.3 million) as recording of depreciation exceeded additions. The Business-type Activities increase of \$4.5 million was primarily from Village projects. The Village projects included a water tower, lift station improvements, well improvements and a water treatment plant and wastewater collection as well as other minor additions.

Debt Outstanding

Since the mid 1990's, the Village of Algonquin has followed a financial policy of preferring a "pay-as-you-go" philosophy to funding capital projects. Exceptions to this philosophy had been 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 proceeds have been escrowed in an account that pays 2005B interim interest expense and will fully refund 2002B in FY2012. 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. Earlier this year, a Home Rule Sales Tax of .75% was approved that will provide a dedicated revenue source for capital and infrastructure purposes which should assist in the "pay as you go" philosophy.

The Village currently has seven general obligation bond series and one revenue bond series outstanding. A total of \$20.548 million of general obligation bonds and \$.680 million of revenue bonds were outstanding at April 30, 2006. Five of the bond series were issued to refund previous issues.

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

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

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

Economic Factors

The financial condition of the State government has had an adverse financial impact on the Village of Algonquin during the past few years but the situation is finally improving to the 2000 level of state shared revenues. While improved this year, state shared revenues (state income tax and use tax) had been materially reduced from 2000 levels on a per-capita basis. That said, state distributions to local government continue to be late. Current estimates, however, indicate that the 2007 per-capita allocations will exceed the 2000 data. The Village will continue to look to sales tax and property taxes from commercial development until the state economy improves and the state is able to operate a balanced budget without impairing local governments. Continued growth in both of these areas is realistic as substantial increases have been noted in commercial EAV and new store openings continue. The Village continues to apply for park grants, and has been very successful in receiving awards. However, grant assistance is extremely competitive. An area of concern is the local labor market. The local unemployment rate, which was 2.1% in 2000, was 4.7% in 2006 (down from 4.8% in 2005).

The local housing market as demonstrated by home values continues to be strong even though mortgage interest rates have been gradually increasing. As indicated above, the Village's growth in sales tax revenues and property tax receipts have been consistent in the past decade.

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

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

Village of Algonquin, Illinois

Statement of Net Assets
April 30, 2006

	Governmental Activities	Business-Type Activities	Total
Assets			
Current			
Cash and cash equivalents	\$ 7,157,591	\$ 6,484,444	\$ 13,642,035
Investments	4,941,205	3,350,000	8,291,205
Receivables			
Property taxes	4,395,747	-	4,395,747
Other taxes	2,214,212	-	2,214,212
Intergovernmental	63,898	-	63,898
Accounts	3,388	647,667	651,055
Accrued interest	11,844	3,454	15,298
Other	216,664	-	216,664
Inventory	104,453	-	104,453
Prepaid items	78,204	22,168	100,372
Restricted assets			
Cash and cash equivalents	-	749	749
Investments	-	1,149,000	1,149,000
Accrued interest receivable	-	1,033	1,033
Total current assets	19,187,206	11,658,515	30,845,721
Noncurrent			
Capital assets (net of accumulated depreciation)			
Land	100,339,298	10,035,522	110,374,820
Construction in progress	946,643	1,150,848	2,097,491
Water and sewer system	-	49,883,670	49,883,670
Buildings	13,765,784	12,171,353	25,937,137
Improvements other than buildings	6,337,998	-	6,337,998
Vehicles and equipment	1,935,516	478,180	2,413,696
Streets/storm sewers/bridges	70,476,565	-	70,476,565
Total noncurrent assets	193,801,804	73,719,573	267,521,377
Total assets	\$ 212,989,010	\$ 85,378,088	\$ 298,367,098

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Net Assets - Continued
April 30, 2006

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current			
Accounts payable	\$ 1,275,780	\$ 817,169	\$ 2,092,949
Accrued interest	76,439	60,874	137,313
Unearned revenue - property tax	4,395,747	-	4,395,747
Unearned revenue - other	312,958	-	312,958
Other liabilities	44,711	-	44,711
Compensated absences	498,495	77,692	576,187
Capital lease	64,190	-	64,190
General obligation bonds payable	480,000	170,000	650,000
Revenue bonds payable	-	220,000	220,000
Total current liabilities	7,148,320	1,345,735	8,494,055
Noncurrent			
Pension obligation	367,998	-	367,998
Compensated absences payable	286,012	34,296	320,308
Capital lease	78,082	-	78,082
General obligation bonds payable, net	9,295,433	10,407,253	19,702,686
Revenue bonds payable, net	-	396,975	396,975
Total noncurrent liabilities	10,027,525	10,838,524	20,866,049
Total liabilities	17,175,845	12,184,259	29,360,104
Net Assets			
Invested in capital assets, net of related debt	183,861,002	62,525,345	246,386,347
Restricted for			
Donor programs	347,535	-	347,535
Cemetery purposes	212,606	-	212,606
Grant programs	583,112	-	583,112
Revenue bond covenants	-	1,150,782	1,150,782
Unrestricted	10,808,910	9,517,702	20,326,612
Total net assets	\$ 195,813,165	\$ 73,193,829	\$ 269,006,994

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Activities
Year Ended April 30, 2006

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 4,382,832	\$ 1,510,482	\$ 643,318	\$ -
Public safety	6,808,738	645,748	95,687	4,109,196
Public works	7,655,372	34,570	865,385	-
Interest expense	428,104	-	-	-
Total governmental activities	19,275,046	2,190,800	1,604,390	4,109,196
Business-type activities				
Water and sewer	6,838,648	7,273,018	3,200	179,541
Total	<u>\$ 26,113,694</u>	<u>\$ 9,463,818</u>	<u>\$ 1,607,590</u>	<u>\$ 4,288,737</u>

General revenues
Taxes
 Property
 Personal property replacement
Sales
Income and use
Utility
Telecommunications
Hotel
Franchise fees
Investment income
Miscellaneous
 Total general revenues

Change in net assets

Net assets - beginning

Net assets - ending

See Notes to Financial Statements.

Net (Expense), Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
\$ (2,229,032)	\$ -	\$ (2,229,032)
(1,958,107)	-	(1,958,107)
(6,755,417)	-	(6,755,417)
(428,104)	-	(428,104)
(11,370,660)	-	(11,370,660)
-	617,111	617,111
(11,370,660)	617,111	(10,753,549)
4,266,257	-	4,266,257
55,472	-	55,472
5,573,263	-	5,573,263
2,496,391	-	2,496,391
1,397,896	-	1,397,896
660,956	-	660,956
77,708	-	77,708
329,990	-	329,990
325,513	245,981	571,494
35,323	-	35,323
15,218,769	245,981	15,464,750
3,848,109	863,092	4,711,201
191,965,056	72,330,737	264,295,793
\$ 195,813,165	\$ 73,193,829	\$ 269,006,994

Village of Algonquin, Illinois

**Balance Sheet - Governmental Funds
April 30, 2006**

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 3,597,514	\$ 22,548	\$ 3,495,233	\$ 7,115,295
Investments	401,000	3,330,205	1,210,000	4,941,205
Receivables				
Property taxes	4,395,747	-	-	4,395,747
Other taxes	2,015,463	-	198,749	2,214,212
Intergovernmental	-	-	63,898	63,898
Accrued interest	559	9,875	1,410	11,844
Other	201,984	-	14,680	216,664
Prepaid items	73,689	-	-	73,689
Total assets	<u>\$ 10,685,956</u>	<u>\$ 3,362,628</u>	<u>\$ 4,983,970</u>	<u>\$ 19,032,554</u>
Liabilities				
Accounts payable	\$ 687,771	\$ -	\$ 521,521	\$ 1,209,292
Deferred revenues - property tax	4,395,747	-	-	4,395,747
Deferred revenues - other	710,343	-	180,410	890,753
Other liabilities	80,732	-	-	80,732
Total liabilities	<u>5,874,593</u>	<u>-</u>	<u>701,931</u>	<u>6,576,524</u>
Fund Balances				
Reserved for				
Prepaid items	73,689	-	-	73,689
Donor program	-	-	347,535	347,535
Cemetery acquisition and perpetual care	-	-	212,606	212,606
Grant programs	-	-	583,112	583,112
Debt service	-	3,362,628	-	3,362,628
Unreserved				
General fund	4,737,674	-	-	4,737,674
Special revenue funds	-	-	3,074,909	3,074,909
Capital projects funds	-	-	63,877	63,877
Total fund balances	<u>4,811,363</u>	<u>3,362,628</u>	<u>4,282,039</u>	<u>12,456,030</u>
Total liabilities and fund balances	<u>\$ 10,685,956</u>	<u>\$ 3,362,628</u>	<u>\$ 4,983,970</u>	<u>\$ 19,032,554</u>

See Notes to Financial Statements.

Village of Algonquin, Illinois

**Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Assets
April 30, 2006**

Total fund balances-governmental funds	\$ 12,456,030
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Amounts reported for governmental activities in the
Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	193,801,804
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Revenues in the Statement of Activities that do not provide current financial resources are deferred in the funds.	577,795
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An internal service fund is used by management to charge vehicle maintenance costs to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the Statement of Net Assets.	88,164
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Some liabilities reported in the Statement of Net Assets do not
require the use of current financial resources and, therefore, are
not reported as liabilities in governmental funds. These liabilities
consist of:

Accrued interest	(76,439)
Compensated absences	(784,507)
Unamortized bond issuance costs	36,022
Unamortized bond discount	23,096
Pension benefit obligation	(367,998)
Capital lease	(142,272)
General obligation bonds payable	(9,798,530)

Net assets of governmental activities	<u>\$ 195,813,165</u>
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See Notes to Financial Statements.

Village of Algonquin, Illinois

**Statement of Revenues, Expenditures and Changes in Fund Balances –
Governmental Funds
Year Ended April 30, 2006**

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Charges for services	\$ 346,462	\$ -	\$ 134,120	\$ 480,582
Licenses and permits	1,111,868	-	-	1,111,868
Intergovernmental, grants and contributions	236,163	-	2,178,178	2,414,341
Fines, fees and forfeitures	570,564	-	6,000	576,564
Property taxes	4,266,257	-	-	4,266,257
Other taxes	8,504,953	-	1,958,101	10,463,054
Interest	136,694	56,013	132,807	325,514
Miscellaneous	33,118	3,452	28,789	65,359
Total revenues	15,206,079	59,465	4,437,995	19,703,539
Expenditures				
Current				
General government	3,365,769	-	674,607	4,040,376
Public safety	5,896,881	-	725,588	6,622,469
Public works	3,776,870	-	201,421	3,978,291
Debt service				
Principal	159,547	345,000	-	504,547
Interest and fiscal charges	12,480	283,654	-	296,134
Capital outlay	535,344	-	3,364,673	3,900,017
Total expenditures	13,746,891	628,654	4,966,289	19,341,834
Excess (deficiency) of revenues over expenditures	1,459,188	(569,189)	(528,294)	361,705
Other financing sources (uses)				
General obligation bonds issued	-	2,935,000	-	2,935,000
Discount on general obligation bonds	-	(24,874)	-	(24,874)
Transfers in	3,000	561,000	10,104	574,104
Transfers out	(571,104)	-	(3,000)	(574,104)
Total other financing sources (uses)	(568,104)	3,471,126	7,104	2,910,126
Net change in fund balances	891,084	2,901,937	(521,190)	3,271,831
Fund balances - beginning	3,920,279	460,691	4,803,229	9,184,199
Fund balances - ending	\$ 4,811,363	\$ 3,362,628	\$ 4,282,039	\$ 12,456,030

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, 2006

Net change in fund balances-total governmental funds	\$ 3,271,831
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Amounts reported for governmental activities in the Statement of
Activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the lives of the assets. This is the amount by which depreciation exceeded capital outlays in the current period. (\$3,318,640 current additions less \$3,457,647 depreciation.)

	(139,007)
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Change in deferred revenues	134,321
Contributions of capital assets	3,293,725

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.

General obligation bond proceeds	(2,935,000)
Repayment of principal on bonds and capital leases	504,547
Bond discount	24,874
Bond issuance costs	38,791

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:

Increase in pension obligation	(64,931)
Increase in compensated absences	(92,029)
Loss on sales of capital assets	(24,465)
Increase in accrued interest	(54,353)
Interest accreted on capital appreciation debt	(105,648)
Amortization of bond discount and issuance costs	(4,547)

Change in net assets of governmental activities	<u>\$ 3,848,109</u>
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See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Net Assets - Proprietary Funds
April 30, 2006

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service Fund
Assets		
Current		
Cash and cash equivalents	\$ 6,484,444	\$ 42,296
Investments	3,350,000	-
Receivables		
Accounts	647,667	3,388
Interest	3,454	-
Inventory	-	104,453
Prepaid items	22,168	4,515
Restricted assets		
Cash and cash equivalents	749	-
Investments	1,149,000	-
Accrued interest	1,033	-
Total current assets	11,658,515	154,652
Capital assets (net of accumulated depreciation)		
Land	10,035,522	-
Construction in progress	1,150,848	-
Water and sewer system	49,883,670	-
Buildings	12,171,353	-
Machinery and equipment	478,180	-
Total noncurrent assets	73,719,573	-
Total assets	\$ 85,378,088	\$ 154,652

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Net Assets - Proprietary Funds - Continued
April 30, 2006

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service Fund
Liabilities		
Current		
Accounts payable	\$ 817,169	\$ 66,488
Accrued interest	60,874	-
Compensated absences	77,692	-
General obligation bonds payable	170,000	-
Revenue bonds payable	220,000	-
Total current liabilities	1,345,735	66,488
Noncurrent		
Compensated absences payable	34,296	-
General obligation bonds payable	10,407,253	-
Revenue bonds payable	396,975	-
Total noncurrent liabilities	10,838,524	-
Total liabilities	12,184,259	66,488
Net Assets		
Invested in capital assets, net of related debt	62,525,345	-
Restricted - revenue bond covenants	1,150,782	-
Unrestricted	9,517,702	88,164
Total net assets	\$ 73,193,829	\$ 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, 2006

	Business-Type Activities Waterworks and Sewerage Fund	Governmental Activities Internal Service Fund
Operating revenues		
Charges for services		
Water and sewer revenue	\$ 4,431,385	\$ -
Meter sales	189,675	-
Connection fees	2,560,698	-
Administration fee	81,562	-
Vehicle maintenance billings	-	942,611
Miscellaneous	9,698	-
Total operating revenues	7,273,018	942,611
Operating expenses excluding depreciation	3,732,996	942,611
Operating income before depreciation	3,540,022	-
Depreciation	2,915,484	-
Operating income	624,538	-
Nonoperating revenues (expenses)		
Contributions - developers	182,741	-
Interest income	245,981	-
Interest expense and fiscal agent fees	(190,168)	-
Total nonoperating revenues (expenses)	238,554	-
Change in net assets	863,092	-
Net assets - beginning	72,330,737	88,164
Net assets - ending	\$ 73,193,829	\$ 88,164

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Cash Flows – Proprietary Funds
Year Ended April 30, 2006

	Business-Type Activities Waterworks and Sewerage Fund	Governmental Activities Internal Service Fund
Cash flows from operating activities		
Cash received from customers	\$ 7,215,744	\$ -
Cash paid to suppliers	(3,208,610)	(654,694)
Cash paid to employees	(1,743,451)	(291,942)
Cash received for interfund services provided	-	965,530
Net cash provided by operating activities	<u>2,263,683</u>	<u>18,894</u>
Cash flows from noncapital financing activities		
Developer contributions	<u>182,741</u>	<u>-</u>
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(7,468,624)	-
Interest paid on bonds	(138,964)	-
Issuance of general obligation bonds	9,000,000	-
Principal paid on general obligation bond maturities	(155,000)	-
Principal paid on revenue bond maturities	(210,000)	-
Net cash flows from capital and related financing activities	<u>1,027,412</u>	<u>-</u>
Cash flows from investing activities		
Purchase of investments (certificates of deposit)	(10,755,000)	-
Sale of investments (certificates of deposit)	9,356,000	-
Interest on investments	263,806	-
Net cash flows from investing activities	<u>(1,135,194)</u>	<u>-</u>
Net increase in cash and equivalents	2,338,642	18,894
Cash and equivalents - beginning	<u>4,146,551</u>	<u>23,402</u>
Cash and equivalents - ending	<u>\$ 6,485,193</u>	<u>\$ 42,296</u>
Reported as:		
Cash and cash equivalents	\$ 6,484,444	\$ 42,296
Restricted cash and cash equivalents	<u>749</u>	<u>-</u>
	<u>\$ 6,485,193</u>	<u>\$ 42,296</u>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Cash Flows – Proprietary Funds - Continued
Year Ended April 30, 2006

	Business-Type Activities Waterworks and Sewerage Fund	Governmental Activities Internal Service Fund
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 624,538	\$ -
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	2,915,484	-
Amortization	(90,789)	-
Loss on sale of capital assets	34,829	-
Changes in assets and liabilities		
Accounts receivable	(57,274)	(1,335)
Other receivables	-	24,254
Prepaid items	3,687	(1,675)
Inventory	-	136
Accounts payable	(1,164,664)	(2,486)
Compensated absences	(2,128)	-
Total adjustments	1,639,145	18,894
Net cash provided by operating activities	\$ 2,263,683	\$ 18,894

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Fiduciary Net Assets

April 30, 2006

	Pension Trust Fund	Agency Fund
<hr/>		
Assets		
Cash and cash equivalents	\$ 128,981	\$ 705,637
Investments		
U.S. government securities	3,034,026	-
U.S. government agencies	420,268	-
Mutual funds	3,195,722	-
Money market funds	28,017	-
Interest receivable	39,464	-
	<hr/>	
Total assets	6,846,478	705,637
 Liabilities		
Deposits	-	705,637
	<hr/>	
Net Assets		
Held in trust for pension benefits	\$ 6,846,478	\$ -
	<hr/>	

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Changes in Fiduciary Net Assets - Pension Trust Funds
Year Ended April 30, 2006

Additions	
Contributions	
Employer	\$ 420,787
Employee	341,964
	<u>762,751</u>
Investment income	
Net appreciation in fair value of investments	431,717
Interest income	209,912
Less investment expenses	<u>(26,200)</u>
	<u>615,429</u>
Total additions	<u>1,378,180</u>
Deductions	
Administration	11,203
Pension benefits and refunds	<u>264,925</u>
Total deductions	<u>276,128</u>
Change in net assets	1,102,052
Net assets - beginning	<u>5,744,426</u>
Net assets - ending	<u><u>\$ 6,846,478</u></u>

See 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 Debt Service 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.

Debt Service Fund – This fund accounts for the accumulation of resources for, and the payment of, general obligation debt principal, interest and related costs.

The Village administers the following major proprietary fund:

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

The Village administers one internal service fund:

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

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

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

(d) Cash and Cash Equivalents

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

(e) Investments

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

(f) Property Taxes

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

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

(g) Inventory and Prepaid Items

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

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

(h) Interfund Receivables/Payables

The Village has the following types of transactions between funds:

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

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

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

(i) Capital Assets

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

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

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

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

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

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

(j) Compensated Absences

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

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

Village of Algonquin, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

(k) Deferred Revenue

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

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

(l) Long-term Obligations

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

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

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

(m) Fund Equity

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

(n) Accounting Estimates

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

Note 2. Stewardship, Compliance and Accountability

Budgetary Information

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

Village of Algonquin, Illinois

Notes to Financial Statements

Note 2. Stewardship, Compliance and Accountability (Continued)

Budgetary Information (Continued)

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

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

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

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

Excess of Actual Expenditures over Budget in Individual Funds

The following funds had an excess of actual expenditures over budget:

<u>Fund</u>	<u>Excess</u>
Public Swimming Pool Fund	\$24,369

Deficit Fund Balances in Individual Funds

The Public Swimming Pool Fund had a deficit fund balance of \$15,453 at April 30, 2006.

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.

For the year ended April 30, 2006, the Village has adopted the provisions of GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, an amendment to certain provisions of GASB Statement No. 3.

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, 2006, 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, 2006, the Village had the following investments and maturities. (Amounts are in thousands.)

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	6 - 10	Greater than 10
U.S. Government	\$ 5,903,232	\$ 1,438,424	\$ 3,241,571	\$ 974,576	\$ 248,661
U.S. Agency Securities	420,268	97,688	322,150	430	-
Mutual Funds - fixed income*	24,842	24,842	-	-	-
Illinois Funds*	108,711	108,711	-	-	-
Total investments	<u>\$ 6,457,053</u>	<u>\$ 1,669,665</u>	<u>\$ 3,563,721</u>	<u>\$ 975,006</u>	<u>\$ 248,661</u>

* Weighted average maturity is less than one year.

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

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

Credit Risk.

State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the Village's policy to limit its investments in these investment types to the top rating issued by NRSROs. As of April 30, 2006, the Village's investments were rated as follows:

Investment Type	Standard & Poors
U.S. Agency Securities	AAA
Mutual Funds - fixed income	Not Rated
Illinois Funds	AAA

Village of Algonquin, Illinois

Notes to Financial Statements

Note 3. Deposits and Investments (Continued)

Custodial Credit Risk.

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

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

Concentration of Credit Risk.

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

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

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

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

The Village and Police Pension Fund were not exposed to concentration of credit risk as of April 30, 2006.

Other Information

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

Village of Algonquin, Illinois

Notes to Financial Statements

Note 3. Deposits and Investments (Continued)

Other Information (Continued)

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

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	\$ 97,045,573	\$ 3,293,725	\$ -	\$ 100,339,298
Construction in progress	2,635,783	648,514	2,337,654	946,643
Total capital assets not being depreciated	99,681,356	3,942,239	2,337,654	101,285,941
Capital assets being depreciated:				
Buildings	15,987,102	-	21,267	15,965,835
Improvements other than buildings	7,453,239	883,502	-	8,336,741
Vehicles and equipment	4,819,021	566,829	279,017	5,106,833
Streets/storm sewers/bridges	89,283,291	3,557,449	58,982	92,781,758
	117,542,653	5,007,780	359,266	122,191,167
Less accumulated depreciation for:				
Buildings	1,881,257	318,794	-	2,200,051
Improvements other than buildings	1,582,425	416,318	-	1,998,743
Vehicles and equipment	2,989,076	436,058	253,817	3,171,317
Streets/storm sewers/bridges	20,077,698	2,286,477	58,982	22,305,193
	26,530,456	3,457,647	312,799	29,675,304
Total capital assets being depreciated, net	91,012,197	1,550,133	46,467	92,515,863
Governmental activities capital assets, net	\$ 190,693,553	\$ 5,492,372	\$ 2,384,121	\$ 193,801,804

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	\$ 9,106,199	\$ 929,323	\$ -	\$ 10,035,522
Construction in progress	6,630,782	1,062,323	6,542,257	1,150,848
Total capital assets not being depreciated	15,736,981	1,991,646	6,542,257	11,186,370
Capital assets being depreciated:				
Buildings	7,692,306	6,245,000	-	13,937,306
Machinery and equipment	1,216,448	53,712	-	1,270,160
Water and sewer system	66,959,432	5,720,523	57,239	72,622,716
	75,868,186	12,019,235	57,239	87,830,182
Less accumulated depreciation for:				
Buildings	1,487,207	278,746	-	1,765,953
Machinery and equipment	668,603	123,377	-	791,980
Water and sewer system	20,248,095	2,513,361	22,410	22,739,046
	22,403,905	2,915,484	22,410	25,296,979
Total capital assets being depreciated, net	53,464,281	9,103,751	34,829	62,533,203
Business-type activities capital assets, net	\$ 69,201,262	\$ 11,095,397	\$ 6,577,086	\$ 73,719,573

(c) Depreciation Charged to Functions/Activities

Depreciation was charged to functions/activities as follows:

	Governmental Activities	Business-Type Activities
General government	\$ 332,525	\$ -
Public safety	98,313	-
Public works	3,026,809	-
Water and sewer	-	2,915,484
	\$ 3,457,647	\$ 2,915,484

Village of Algonquin, Illinois

Notes to Financial Statements

Note 5. Long-Term Obligations

The following is a summary of long-term obligation activity associated with governmental activities for the year ended April 30, 2006:

	Balance May 1, 2005	Additions	Retirements	Balance April 30, 2006	Due Within One Year
Compensated Absences Payable	\$ 692,478	\$ 861,441	\$ 769,412	\$ 784,507	\$ 498,495
Pension Obligation*	303,067	64,931	-	367,998	-
General Obligation Bonds Payable**	7,202,882	3,040,648	445,000	9,798,530	480,000
Capital Lease	201,819	-	59,547	142,272	64,190
	<u>\$ 8,400,246</u>	<u>\$ 3,967,020</u>	<u>\$ 1,273,959</u>	<u>\$ 11,093,307</u>	<u>\$ 1,042,685</u>

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

** Amount reported in the statement of net assets for governmental activities, is net of an unamortized discount of \$23,097

The following is a summary of long-term obligation activity associated with business-type activities for the year ended April 30, 2006:

	Balance May 1, 2005	Additions	Retirements	Balance April 30, 2006	Due Within One Year
Compensated Absences Payable	\$ 114,116	\$ 132,372	\$ 134,500	\$ 111,988	\$ 77,692
General Obligations Payable *	1,905,000	9,000,000	155,000	10,750,000	170,000
Revenue Bonds Payable *	890,000	-	210,000	680,000	220,000
	<u>\$ 2,909,116</u>	<u>\$ 9,132,372</u>	<u>\$ 499,500</u>	<u>\$ 11,541,988</u>	<u>\$ 467,692</u>

* Amounts reported in the statement of net assets for the business-type activities, are net of unamortized discounts of \$172,747 and \$63,025, for the general obligation and revenue bonds, respectively.

The following is a summary of debt transactions of the Village for the year ended April 30, 2006:

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

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

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

Village of Algonquin, Illinois

Notes to Financial Statements

Note 5. Long-Term Obligations (Continued)

Description	Fund Debt Retired By	Balances May 1	Additions	Retirements	Balances April 30
Governmental Activities:					
General Obligation Bonds -					
General Obligation Bonds, Series 1998 \$765,000 Refunding Bonds due in annual installments of \$50,000 to \$120,000; interest at 3.5% to 3.8%, through December 30, 2007	General	\$ 325,000	\$ -	\$ 100,000	\$ 225,000
General Obligation Refunding Series 2001B \$1,910,000 Alternate Revenue Source Bonds due in annual installments of \$25,000 to \$390,000; interest at 3.0% to 4.75%, through April 1, 2010	Debt Service	1,790,000	-	345,000	1,445,000
General Obligation Refunding Series 2002A \$3,090,000 Alternate Revenue Source Bonds due in annual installments of \$15,000 to \$650,000; interest at 4.0% to 4.6%, through April 1, 2015	Debt Service	3,090,000	-	-	3,090,000
General Obligation Capital Appreciation Bonds Series 2002 B \$1,708,794 Initial Aggregate Principal Series 2002, due in annual installments beginning April 1, 2016 through April 1, 2021 ranging from \$675,000 to \$760,000 plus interest at 5.1% to 5.4%	Debt Service	1,997,882	105,648 *	-	2,103,530
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		\$ 7,202,882	\$ 3,040,648	\$ 445,000	\$ 9,798,530
* Principal accretion on capital appreciation bonds					
Capital Lease -					
Home State Bank capital lease \$250,000 capital lease for 4 squad cars, dump truck and Ford F350 Due in monthly payments of \$5,859, including interest at 6.0%, through July 1, 2008	General Fund	\$ 201,819	\$ -	\$ 59,547	\$ 142,272

Village of Algonquin, Illinois

Notes to Financial Statements

Note 5. Long-Term Obligations (Continued)

Description	Fund Debt Retired By	Balances May 1	Additions	Retirements	Balances April 30
General Obligation Bonds - Business-type Activities					
General Obligation Refunding Series 2001A \$2,335,000 Alternate Revenue Source Bonds due in annual installments of \$40,000 to \$460,000; interest at 3.0% to 4.5%, through April 1, 2012	Waterworks and Sewerage	\$ 1,905,000	\$ -	\$ 155,000	\$ 1,750,000
General Obligation Sewer Series 2005A \$9,000,000 Bonds due in annual installments of \$25,000 to \$875,000 interest at 3.5% to 4.15%, through April 1, 2025.	Debt Service	-	9,000,000	-	9,000,000
Total General Obligation Bonds - Business type Activities		1,905,000	9,000,000	155,000	10,750,000
Revenue Bonds - Business-type Activities					
Revenue Bonds Series 2002 \$1,560,000 Waterworks and Sewerage Bonds due in annual installments of \$170,000 to \$250,000; interest at 2.8% to 3.8%, through April 1, 2009	Waterworks and Sewerage	\$ 890,000	\$ -	\$ 210,000	\$ 680,000
Total Bonds - Business-type Activities		\$ 2,795,000	\$ 9,000,000	\$ 365,000	\$ 11,430,000

As of April 30, 2006, 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
2007	\$ 480,000	\$ 161,605	\$ 641,605	\$ 170,000	\$ 217,540	\$ 387,540
2008	530,000	151,435	681,435	195,000	213,821	408,821
2009	440,000	140,322	580,322	215,000	209,666	424,666
2010	465,000	130,790	595,790	485,000	205,071	690,071
2011	500,000	120,706	620,706	455,000	194,541	649,541
2012 - 2016	3,287,931	710,947	3,998,878	2,615,000	822,564	3,437,564
2017 - 2021	4,095,599	1,821,078	5,916,677	3,315,000	540,153	3,855,153
2022 - 2025	-	-	-	3,300,000	172,993	3,472,993
Total	\$ 9,798,530	\$ 3,236,883	\$ 13,035,413	\$ 10,750,000	\$ 2,576,349	\$ 13,326,349

Village of Algonquin, Illinois

Notes to Financial Statements

Note 5. Long-Term Obligations (Continued)

As of April 30, 2006, debt service requirements to maturity on the outstanding capital lease, including interest, are as follows:

Year Ending April 30	Governmental Activities		
	Principal	Interest	Total
2007	\$ 64,190	\$ 6,118	\$ 70,308
2008	67,788	2,520	70,308
2009	10,294	1,424	11,718
Total	\$ 142,272	\$ 10,062	\$ 152,334

As of April 30, 2006, debt service requirements to maturity on the outstanding revenue bond debt, including interest, are as follows:

Year Ending April 30	Business-Type Activities		
	Principal	Interest	Total
2007	\$ 220,000	\$ 24,946	\$ 244,946
2008	235,000	17,246	252,246
2009	225,000	8,550	233,550
Total	\$ 680,000	\$ 50,742	\$ 730,742

Refunding Transactions

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

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

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

Village of Algonquin, Illinois

Notes to Financial Statements

Note 5. Long-Term Obligations (Continued)

Refunding Transactions (Continued)

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

Issue	Balance Outstanding
Algonquin/Randall Corridor Business Development Obligations, Series 1995	<u>\$ 1,120,000</u>

Note 6. Waterworks and Sewerage Fund – Restricted Accounts

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

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

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

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

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

Net assets in the amount of \$1,150,782 are restricted as required by revenue bond ordinances at April 30, 2006.

Village of Algonquin, Illinois

Notes to Financial Statements

Note 7. Interfund Transfers

Individual interfund transfers for the Village at April 30, 2006 are shown as follows:

Fund		Transfers From Other Funds
Detail		
General Fund		
Nonmajor Governmental Funds	Administration fees	\$ 3,000
Debt Service Fund		
General Fund	Debt service	561,000
Nonmajor Governmental Funds		
General Fund	Administration fees	10,104
Total		<u>\$ 574,104</u>
Fund		Transfers to Other Funds
General Fund		
Debt Service Fund	Debt service	\$ 561,000
Nonmajor Governmental Funds		10,104
Nonmajor Governmental Funds		
General Fund	Administration fees	3,000
Total		<u>\$ 574,104</u>

Note 8. Other Information

(a) Risk Management

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

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

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

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

Village of Algonquin, Illinois

Notes to Financial Statements

Note 8. Other Information (Continued)

(b) Contingent Liabilities - Litigation

The Village is a defendant in a class action lawsuit, along with other Illinois municipalities that imposed a municipal telecommunications infrastructure maintenance fee (IMF) at any time from January 1, 1998 through July 1, 2001 on Primeco or US Cellular. The Illinois Supreme court held the IMF to be unconstitutional. Prior to April 30, 2006, it was determined that the Village's maximum liability under this lawsuit would be \$80,000. Accordingly, the Village recorded a liability for this amount. As of year-end, it had not been determined what the actual payments under this lawsuit would be.

(c) Commitments

As of April 30, 2006, the Village has entered into various contracts for the construction, renovation or purchase of various facilities for approximately \$20 million. Approximately \$18 million has been expended to date, and approximately \$2 million remains unexpended. No future financing is required.

(d) Joint Venture

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

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

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

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

Village of Algonquin, Illinois

Notes to Financial Statements

Note 8. Other Information (Continued)

(d) Joint Venture (Continued)

SEECOM is located at 100 West Woodstock Street, Crystal Lake, IL 60014. As of the date of this report, SEECOM has not issued any audited financial statements.

The Village reports its activities in SEECOM as a governmental joint venture. In accordance with the joint venture agreement, the Village remitted \$343,000 to SEECOM during fiscal year 2006.

Note 9. Employee Retirement Systems and Plans

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

(a) Illinois Municipal Retirement Fund

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

Funding Policy

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by state statute. The employer is required to contribute at an actuarially determined rate. The employer rate for calendar year 2005 was 8.97 percent of covered payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2005, was 27 years.

Annual Pension Cost, Net Pension Obligation and Actuarial Assumptions

For December 31, 2005, the employer's annual pension cost of \$456,331 was equal to the employer's required and actual contributions. The required contribution was determined as part of the December 31, 2003, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging for 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period.

Village of Algonquin, Illinois

Notes to Financial Statements

Note 9. Employee Retirement Systems and Plans (Continued)

(b) Police Pension

Plan Description

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

At April 30, 2006, the Police Pension Plan membership consisted of:

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

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

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

Funding Policy

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

Village of Algonquin, Illinois

Notes to Financial Statements

Note 9. Employee Retirement Systems and Plans (Continued)

(b) Police Pension (Continued)

Annual Pension Cost, Net Pension Asset and Reserves

Current Year Annual Pension Cost and Net Pension Asset

For fiscal year 2006, the Village's annual pension cost was \$485,719. The Village's actual contribution was \$420,788. For a description of the significant actuarial assumptions, see "Significant Actuarial Assumptions."

The net pension obligation at April 30, 2006, was \$367,998. It was comprised of the following:

Net pension obligation:	
Annual required contribution	\$ 489,474
Interest on net pension obligation	21,215
Adjustment to annual required contribution	<u>(24,970)</u>
Annual pension cost	485,719
Contributions made	<u>420,788</u>
Increase in net pension obligation	64,931
Net pension obligation at beginning of year	<u>303,067</u>
Net pension obligation at end of year	<u><u>\$ 367,998</u></u>

The net pension obligation of \$367,998 is recorded as a liability in the government-wide Statement of Net Assets.

Reserves and Concentration of Investments

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

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Administrative costs for the police pension plan are financed primarily through investment earnings.

Village of Algonquin, Illinois

Notes to Financial Statements

Note 9. Employee Retirement Systems and Plans (Continued)

(b) Police Pension (Continued)

Significant Actuarial Assumptions

The annual required contribution for the year ended April 30, 2006, was determined as part of the April 30, 2006, actuarial valuation report using the entry age normal cost method. The actuarial assumptions included (a) 7.0% investment rate of return, (b) projected salary increases of 5.5%, (c) 3.0% per year cost of living adjustments. Both (a) and (b) included an inflation component of 3.5%.

The actuarial value of police pension assets was determined using market values. The Police Pension Plan's unfunded actuarial liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at April 30, 2006, was 31 years.

(c) Trend Information

	For Fiscal Year	Illinois Municipal Retirement	Police Pension	
Annual Pension Cost	2004	\$ 322,998	\$ 351,885	
	2005	400,952	418,594	
	2006	456,331	485,719	
Percent Contributed	2004	100.00	97.39	%
	2005	100.00	84.72	
	2006	100.00	86.63	
Net Pension Obligation	2004	\$ -	\$ 239,116	
	2005	-	303,067	
	2006	-	367,998	

Village of Algonquin, Illinois

Notes to Financial Statements

Note 10. New Governmental Accounting Standards

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

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

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

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

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

Management has not yet determined the impact these Statements will have on the financial position and results of operations of the Village.

REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

Village of Algonquin, Illinois

**Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – General Fund
Year Ended April 30, 2006**

	Original Budget	Final Budget	Actual	Over (Under)
Revenues				
Charges for services	\$ 503,705	\$ 520,265	\$ 346,462	\$ (173,803)
Licenses and permits	1,002,000	1,002,000	1,111,868	109,868
Intergovernmental, grants and contributions	162,640	221,640	236,163	14,523
Fines, fees and forfeitures	579,000	599,000	570,564	(28,436)
Property taxes	4,246,345	4,246,345	4,266,257	19,912
Other taxes	9,057,500	9,057,500	8,504,953	(552,547)
Interest	37,700	37,700	136,694	98,994
Miscellaneous	4,500	4,500	33,118	28,618
Total revenues	15,593,390	15,688,950	15,206,079	(482,871)
Expenditures				
Current				
General government	4,190,475	4,338,328	3,365,769	972,559
Public safety	6,259,185	6,281,145	5,896,881	384,264
Public works	3,762,975	3,762,975	3,776,870	(13,895)
Debt Service				
Principal	159,547	159,547	159,547	-
Interest and fiscal charges	36,188	36,188	12,480	23,708
Capital outlay	493,105	521,705	535,344	(13,639)
Total expenditures	14,901,475	15,099,888	13,746,891	1,352,997
Excess of revenues over expenditures	691,915	589,062	1,459,188	870,126
Other financing sources (uses)				
Transfers in	3,000	3,000	3,000	-
Transfers out	(593,915)	(593,915)	(571,104)	22,811
Total other financing sources (uses)	(590,915)	(590,915)	(568,104)	22,811
Net change in fund balance	\$ 101,000	\$ (1,853)	891,084	\$ 892,937
Fund balance - beginning			3,920,279	
Fund balance - ending			\$ 4,811,363	

See Note to Required Supplementary Information.

Village of Algonquin, Illinois

Required Supplementary Information
Analysis of Funding Progress

April 30, 2006

Illinois Municipal Retirement Fund

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)-(1) (Overfunded) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll	(Overfunded) Underfunded AAL as a Percentage of Annual Covered Payroll ((2-1)/3)
12/31/2005	\$ 6,125,526	\$ 6,851,267	\$ 725,741	89.41 %	\$ 5,087,300	14.27 %
12/31/2004	5,589,776	6,150,286	560,510	90.89	4,706,010	11.91
12/31/2003	4,904,607	5,223,991	319,384	93.89	4,272,456	7.48
12/31/2002	4,339,962	4,300,558	(39,404)	100.92	4,011,654	(0.98)
12/31/2001	3,977,361	3,648,993	(328,368)	109.00	3,485,243	(9.42)
12/31/2000	3,281,840	2,978,482	(303,358)	110.18	2,976,737	(10.19)
12/31/1999	2,685,380	2,441,616	(243,764)	109.98	2,536,898	(9.61)

Police Pension Fund

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)-(1) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll	UAAL as a Percentage of Covered Payroll ((2-1)/3)
05/01/2006	\$ 6,846,477	\$ 11,202,717	\$ 4,356,240	61.11 %	\$ 3,029,643	143.79 %
05/01/2005	5,710,363	9,285,875	3,575,512	61.50	2,528,254	141.42
05/01/2004	4,957,683	7,917,127	2,959,444	62.62	2,314,625	127.86
05/01/2003	4,151,776	6,450,349	2,298,573	64.37	2,232,241	102.97
05/01/2002	3,591,219	5,984,051	2,392,832	60.01	2,072,555	115.45
05/01/2001	3,118,393	4,658,471	1,540,078	66.94	1,728,289	89.11
05/01/2000	2,790,176	4,038,511	1,248,335	69.09	1,634,057	76.39

Village of Algonquin, Illinois

Required Supplementary Information
Employer Contributions

April 30, 2006

Illinois Municipal Retirement Fund

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed	
12/31/2005	\$ 456,331	100	%
12/31/2004	400,952	100	
12/31/2003	322,998	100	
12/31/2002	302,479	100	
12/31/2001	252,332	100	
12/31/2000	227,125	100	
12/31/1999	203,205	100	

Police Pension Fund

Fiscal Year End Date	Annual Required Contribution	Percentage Contributed	
04/30/2006	\$ 489,474	86	%
04/30/2005	421,332	84	
04/30/2004	354,319	97	
04/30/2003	342,466	75	
04/30/2002	250,040	94	
04/30/2001	235,875	79	

Information presented for as many years as available.

Village of Algonquin, Illinois

Note to Required Supplementary Information

Note 1. Budgetary Basis of Accounting

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

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

GENERAL FUND

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

Village of Algonquin, Illinois

General Fund

Schedule of Revenues - Budget and Actual
Year Ended April 30, 2006

	Original Budget	Final Budget	Actual
Charges for services			
Building and zoning	\$ 75,000	\$ 75,000	\$ 12,750
Platting fees	200,000	200,000	88,749
Intergovernmental agreement - police	72,000	88,560	95,682
Police training reimbursement	5,000	5,000	3,972
Alarm lines	19,000	19,000	11,124
Snow plowing fees	3,000	3,000	7,108
Park usage fees	-	-	5,548
Recreation programs	84,495	84,495	90,834
Site development fee	10,000	10,000	7,400
Rental income	21,210	21,210	4,022
Historical commission	1,000	1,000	1,007
Senior bus	3,000	3,000	3,186
Subdivision signs	10,000	10,000	15,080
Total charges for services	503,705	520,265	346,462
Licenses and permits			
Liquor licenses	85,000	85,000	94,350
Building permits	900,000	900,000	998,185
Miscellaneous licenses	17,000	17,000	19,333
Total licenses and permits	1,002,000	1,002,000	1,111,868
Intergovernmental, grants and contributions			
Grants - operating, public safety, general	123,640	168,640	114,021
Contributions	39,000	53,000	122,142
Total intergovernmental, grants and contributions	162,640	221,640	236,163
Fines, fees and forfeitures			
County court and drug fines	515,500	515,500	485,606
County prosecution fines	2,000	2,000	1,624
Police fines	17,000	37,000	39,175
Restitution - Court Cases	500	500	3,544
Police accident reports	5,000	5,000	5,022
Reports, maps and ordinances	4,000	4,000	1,422
Building permit fines	32,000	32,000	31,053

(Continued)

Village of Algonquin, Illinois

General Fund

Schedule of Revenues - Budget and Actual (Continued)
Year Ended April 30, 2006

	Original Budget	Final Budget	Actual
Fines, fees and forfeitures (Continued)			
Maintenance fee	\$ 2,500	\$ 2,500	\$ 3,050
Administrative fees	500	500	68
Total fines, fees and forfeitures	579,000	599,000	570,564
Property taxes			
General	1,800,000	1,800,000	1,797,982
Insurance	550,000	550,000	549,782
Road and bridge	275,000	275,000	296,866
Social security	284,000	284,000	283,969
IMRF	170,000	170,000	169,989
School crossing	4,440	4,440	4,880
Police protection	625,000	625,000	624,754
ESDA	4,440	4,440	4,880
GOBI	112,130	112,130	112,367
Police pension	421,335	421,335	420,788
Total property taxes	4,246,345	4,246,345	4,266,257
Other taxes			
Personal property replacement tax	20,500	20,500	55,473
Cable TV fees	250,000	250,000	282,686
Telecommunication tax	210,000	210,000	178,458
Natural gas franchise fees	37,000	37,000	47,304
State income tax	2,150,000	2,150,000	2,493,391
Sales tax	6,390,000	6,390,000	5,447,641
Total other taxes	9,057,500	9,057,500	8,504,953
Interest	37,700	37,700	136,694
Miscellaneous			
Other	4,500	4,500	33,118
Total revenues	\$ 15,593,390	\$ 15,688,950	\$ 15,206,079

Village of Algonquin, Illinois

General Fund

Schedule of Expenditures - Budget and Actual
Year Ended April 30, 2006

	Original Budget	Final Budget	Actual
Current			
General government			
Administration			
Personnel	\$ 2,182,465	\$ 2,182,465	\$ 1,122,464
Commodities	68,280	113,280	153,167
Contractual services	753,700	856,553	815,460
Other charges	127,795	127,795	132,347
Total administration	3,132,240	3,280,093	2,223,438
Community development			
Personnel	892,145	892,145	873,338
Commodities	39,775	39,775	33,491
Contractual services	88,345	88,345	216,990
Other charges	37,970	37,970	18,512
Total community development	1,058,235	1,058,235	1,142,331
Total general government	4,190,475	4,338,328	3,365,769
Public safety			
Police department			
Personnel	4,578,290	4,578,290	4,361,600
Commodities	216,050	238,010	249,495
Contractual services	926,270	926,270	741,803
Other charges	538,575	538,575	543,983
Total public safety	6,259,185	6,281,145	5,896,881
Public works			
Public works administration			
Personnel	605,650	605,650	589,295
Commodities	63,280	63,280	70,435
Contractual services	41,105	41,105	22,347
Other charges	17,100	17,100	17,798
Total public works administration	727,135	727,135	699,875

(Continued)

Village of Algonquin, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)
Year Ended April 30, 2006

	Original Budget	Final Budget	Actual
Public works (Continued)			
Streets department			
Personnel	\$ 926,825	\$ 926,825	\$ 901,768
Commodities	99,550	117,550	132,829
Contractual services	775,485	757,485	815,091
Other charges	14,755	14,755	13,561
Total streets	<u>1,816,615</u>	<u>1,816,615</u>	<u>1,863,249</u>
Parks			
Personnel	875,430	875,430	851,584
Commodities	71,685	71,685	84,406
Contractual services	256,905	256,905	261,570
Other charges	15,205	15,205	16,186
Total parks	<u>1,219,225</u>	<u>1,219,225</u>	<u>1,213,746</u>
Total public works	<u>3,762,975</u>	<u>3,762,975</u>	<u>3,776,870</u>
Debt service			
Bond principal	100,000	100,000	100,000
Capital lease principal	59,547	59,547	59,547
Interest and fiscal charges	36,188	36,188	12,480
Total debt service	<u>195,735</u>	<u>195,735</u>	<u>172,027</u>
Capital outlay			
General government	65,250	65,250	103,572
Public safety	91,955	106,555	102,946
Public works	335,900	349,900	328,826
Total capital outlay	<u>493,105</u>	<u>521,705</u>	<u>535,344</u>
Total expenditures	<u>\$ 14,901,475</u>	<u>\$ 15,099,888</u>	<u>\$ 13,746,891</u>

NONMAJOR GOVERNMENTAL FUNDS – COMBINING STATEMENTS

Village of Algonquin, Illinois

Nonmajor Governmental Funds
Combining Balance Sheet
April 30, 2006

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	\$ 3,384,088	\$ 111,145	\$ 3,495,233
Investments	1,210,000	-	1,210,000
Receivables			
Other taxes	198,749	-	198,749
Intergovernmental	63,898	-	63,898
Accrued interest	1,410	-	1,410
Other	14,680	-	14,680
Total assets	<u>\$ 4,872,825</u>	<u>\$ 111,145</u>	<u>\$ 4,983,970</u>
Liabilities			
Accounts payable	\$ 474,253	\$ 47,268	\$ 521,521
Deferred revenue - other	180,410	-	180,410
Total liabilities	<u>654,663</u>	<u>47,268</u>	<u>701,931</u>
Fund Balances			
Reserved for			
Donor program	347,535	-	347,535
Cemetery acquisition and perpetual care	212,606	-	212,606
Grant programs	583,112	-	583,112
Unreserved	3,074,909	63,877	3,138,786
Total fund balances (deficit)	<u>4,218,162</u>	<u>63,877</u>	<u>4,282,039</u>
Total liabilities and fund balances	<u>\$ 4,872,825</u>	<u>\$ 111,145</u>	<u>\$ 4,983,970</u>

Village of Algonquin, Illinois

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Year Ended April 30, 2006

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
Revenues			
Charges for services	\$ 134,120	\$ -	\$ 134,120
Intergovernmental, grants and contributions	2,115,378	62,800	2,178,178
Fines and fees	6,000	-	6,000
Other taxes	1,958,101	-	1,958,101
Interest	131,099	1,708	132,807
Miscellaneous	28,789	-	28,789
Total revenues	4,373,487	64,508	4,437,995
Expenditures			
Current			
General government	674,607	-	674,607
Public safety	725,588	-	725,588
Public works	201,421	-	201,421
Capital outlay	3,385,941	(21,268)	3,364,673
Total expenditures	4,987,557	(21,268)	4,966,289
Excess (deficiency) of revenues over expenditures	(614,070)	85,776	(528,294)
Other financing sources (uses)			
Transfers in	10,104	-	10,104
Transfers out	(3,000)	-	(3,000)
Total other financing sources (uses)	7,104	-	7,104
Net change in fund balances	(606,966)	85,776	(521,190)
Fund balances (deficit) - beginning	4,825,128	(21,899)	4,803,229
Fund balances - ending	\$ 4,218,162	\$ 63,877	\$ 4,282,039

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

Village of Algonquin, Illinois

Nonmajor Special Revenue Funds

Combining Balance Sheet

April 30, 2006

	Community Development Block Grant	Motor Fuel Tax	Public Swimming Pool	Parks	Cul de Sac
Assets					
Cash and cash equivalents	\$ 283,228	\$ 246,006	\$ 37,192	\$ 1,893,703	\$ 28,341
Investments	-	-	-	205,000	750,000
Receivables					
Other taxes	-	-	-	-	-
Intergovernmental	-	63,898	-	-	-
Accrued interest	-	-	-	221	956
Other	-	-	-	-	-
Total assets	<u>\$ 283,228</u>	<u>\$ 309,904</u>	<u>\$ 37,192</u>	<u>\$ 2,098,924</u>	<u>\$ 779,297</u>
Liabilities					
Accounts payable	\$ -	\$ 10,020	\$ 20,728	\$ 169,341	\$ -
Deferred revenue - other	-	-	31,917	404	-
Total liabilities	<u>-</u>	<u>10,020</u>	<u>52,645</u>	<u>169,745</u>	<u>-</u>
Fund Balances					
Reserved for					
Donor program	-	-	-	347,535	-
Cemetery acquisition and perpetual care	-	-	-	-	-
Grant programs	283,228	299,884	-	-	-
Unreserved	<u>-</u>	<u>-</u>	<u>(15,453)</u>	<u>1,581,644</u>	<u>779,297</u>
Total fund balances	<u>283,228</u>	<u>299,884</u>	<u>(15,453)</u>	<u>1,929,179</u>	<u>779,297</u>
Total liabilities and fund balances	<u>\$ 283,228</u>	<u>\$ 309,904</u>	<u>\$ 37,192</u>	<u>\$ 2,098,924</u>	<u>\$ 779,297</u>

Hotel/ Motel Tax	School Donations	Street Improvement	Cemetery	Totals
\$ 70,346	\$ 388,801	\$ 427,248	\$ 9,223	\$ 3,384,088
50,000	-	-	205,000	1,210,000
-	-	198,749	-	198,749
-	-	-	-	63,898
55	-	-	178	1,410
14,680	-	-	-	14,680
\$ 135,081	\$ 388,801	\$ 625,997	\$ 214,401	\$ 4,872,825

\$ -	\$ -	\$ 270,719	\$ 3,445	\$ 474,253
-	131,526	16,563	-	180,410

-	131,526	287,282	3,445	654,663
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-	-	-	-	347,535
-	-	-	212,606	212,606
-	-	-	-	583,112
135,081	257,275	338,715	(1,650)	3,074,909

135,081	257,275	338,715	210,956	4,218,162
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\$ 135,081	\$ 388,801	\$ 625,997	\$ 214,401	\$ 4,872,825
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Village of Algonquin, Illinois

Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Year Ended April 30, 2006

	Community Development Block Grant	Motor Fuel Tax	Public Swimming Pool	Parks	Cul de Sac
Revenues					
Charges for services	\$ -	\$ -	\$ 118,434	\$ -	\$ -
Intergovernmental, grants and contributions	-	844,848	-	737,189	-
Fines, fees and forfeitures	-	-	-	-	6,000
Other taxes	-	-	-	-	-
Interest	5,356	8,793	133	73,184	18,755
Miscellaneous	-	8,367	4,508	-	-
Total revenues	5,356	862,008	123,075	810,373	24,755
Expenditures					
Current					
General government	-	-	152,149	-	-
Public safety	-	-	-	-	-
Public works	-	161,164	-	20,697	19,380
Capital outlay	-	652,008	-	755,701	-
Total expenditures	-	813,172	152,149	776,398	19,380
Excess (deficiency) of revenues over expenditures	5,356	48,836	(29,074)	33,975	5,375
Other financing sources (uses)					
Transfers in	-	-	8,957	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	8,957	-	-
Net change in fund balances	5,356	48,836	(20,117)	33,975	5,375
Fund balances - beginning	277,872	251,048	4,664	1,895,204	773,922
Fund balances (deficit) - ending	\$ 283,228	\$ 299,884	\$ (15,453)	\$ 1,929,179	\$ 779,297

North Central Narcotics Task Force	Hotel/Motel Tax	School Donations	Street Improvement	Cemetery	Totals
\$ -	\$ -	\$ -	\$ -	\$ 15,686	\$ 134,120
-	-	528,609	4,732	-	2,115,378
-	-	-	-	-	6,000
-	77,708	-	1,880,393	-	1,958,101
6,870	517	5,532	7,532	4,427	131,099
-	-	-	-	15,914	28,789
6,870	78,225	534,141	1,892,657	36,027	4,373,487
-	113	489,270	-	33,075	674,607
725,588	-	-	-	-	725,588
-	-	-	180	-	201,421
-	-	-	1,968,232	10,000	3,385,941
725,588	113	489,270	1,968,412	43,075	4,987,557
(718,718)	78,112	44,871	(75,755)	(7,048)	(614,070)
-	-	-	-	1,147	10,104
-	-	(3,000)	-	-	(3,000)
-	-	(3,000)	-	1,147	7,104
(718,718)	78,112	41,871	(75,755)	(5,901)	(606,966)
718,718	56,969	215,404	414,470	216,857	4,825,128
\$ -	\$ 135,081	\$ 257,275	\$ 338,715	\$ 210,956	\$ 4,218,162

Village of Algonquin, Illinois

Community Development Block Grant Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2006

	Original Budget	Final Budget	Actual
Revenues			
Interest	\$ 4,020	\$ 4,020	\$ 5,356
Expenditures	-	-	-
Net change in fund balance	<u>\$ 4,020</u>	<u>\$ 4,020</u>	5,356
Fund balance - beginning			<u>277,872</u>
Fund balance - ending			<u>\$ 283,228</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, 2006

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental			
Motor fuel tax allotments	\$ 850,000	\$ 850,000	\$ 844,848
Interest	20,000	20,000	8,793
Miscellaneous	-	-	8,367
Total revenues	<u>870,000</u>	<u>870,000</u>	<u>862,008</u>
Expenditures			
Current			
Public works			
Commodities			
Materials	105,000	105,000	97,519
Contractual			
Engineering services	237,000	237,000	63,645
Capital outlay			
Improvements	1,290,000	1,290,000	652,008
Total expenditures	<u>1,632,000</u>	<u>1,632,000</u>	<u>813,172</u>
Net change in fund balance	<u>\$ (762,000)</u>	<u>\$ (762,000)</u>	48,836
Fund balance - beginning			<u>251,048</u>
Fund balance - ending			<u>\$ 299,884</u>

Village of Algonquin, Illinois

Public Swimming Pool Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2006

	Original Budget	Final Budget	Actual
Revenues			
Charges for services			
Swimming pool fees	\$ 38,000	\$ 38,000	\$ 62,873
Swimming lessons	41,500	41,500	42,203
Concessions- Candy	9,000	9,000	10,637
Concessions- Vending	1,800	1,800	2,721
Interest	80	80	133
Miscellaneous	5,000	5,000	4,508
Total revenues	<u>95,380</u>	<u>95,380</u>	<u>123,075</u>
Expenditures			
Current			
General government			
Personnel	74,100	74,100	87,497
Commodities	26,110	26,110	25,226
Contractual services	27,570	27,570	39,426
Total expenditures	<u>127,780</u>	<u>127,780</u>	<u>152,149</u>
Deficiency of revenues over expenditures	(32,400)	(32,400)	(29,074)
Other financing sources			
Transfers in	<u>32,400</u>	<u>32,400</u>	<u>8,957</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(20,117)
Fund balance - beginning			<u>4,664</u>
Fund balance (deficit) - ending			<u>\$ (15,453)</u>

Village of Algonquin, Illinois

Public Swimming Pool Fund

Schedule of Expenditures - Budget and Actual
Year Ended April 30, 2006

	Original Budget	Final Budget	Actual
Expenditures			
Current			
General government			
Personnel			
Salary of pool employees	\$ 67,000	\$ 67,000	\$ 79,434
Social security/state unemployment tax	7,100	7,100	8,063
	<u>74,100</u>	<u>74,100</u>	<u>87,497</u>
Commodities			
Office supplies	1,160	1,160	1,025
Chemicals	4,500	4,500	7,425
Postage	300	300	303
Building supplies	2,000	2,000	849
Concessions	7,500	7,500	8,011
Uniforms and safety items	2,950	2,950	2,831
Office furniture and equipment	4,000	4,000	334
Small tools and equipment	3,700	3,700	4,448
	<u>26,110</u>	<u>26,110</u>	<u>25,226</u>
Contractual services			
Professional services	1,500	1,500	-
Telephone	100	100	21
Gas-heat	4,000	4,000	1,965
Electricity	7,360	7,360	5,671
Maintenance			
Building	2,500	2,500	625
Pool	5,000	5,000	25,322
Insurance	5,485	5,485	4,473
Travel/training/dues	1,625	1,625	1,349
	<u>27,570</u>	<u>27,570</u>	<u>39,426</u>
Total expenditures	<u>\$ 127,780</u>	<u>\$ 127,780</u>	<u>\$ 152,149</u>

Village of Algonquin, Illinois

Parks Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2006

	Original Budget	Final Budget	Actual
Revenues			
Contributions	\$ 360,000	\$ 360,000	\$ 737,189
Grants	239,000	239,000	-
Interest	9,500	9,500	73,184
Total revenues	<u>608,500</u>	<u>608,500</u>	<u>810,373</u>
Expenditures			
Current			
Public works			
Contractual services			
Engineering fees	124,500	124,500	-
Professional fees	17,500	17,500	20,697
Capital outlay			
Forestation	60,000	60,000	-
Park development	1,835,000	1,835,000	755,701
Total expenditures	<u>2,037,000</u>	<u>2,037,000</u>	<u>776,398</u>
Net change in fund balance	<u>\$ (1,428,500)</u>	<u>\$ (1,428,500)</u>	33,975
Fund balance - beginning			<u>1,895,204</u>
Fund balance - ending			<u>\$ 1,929,179</u>

Village of Algonquin, Illinois

Cul De Sac Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2006

	Original Budget	Final Budget	Actual
Revenues			
Fines, fees and forfeitures			
Cul de sac fees	\$ 18,000	\$ 18,000	\$ 6,000
Interest	28,000	28,000	18,755
Total revenues	<u>46,000</u>	<u>46,000</u>	<u>24,755</u>
Expenditures			
Current			
Public works			
Commodities			
Tools and equipment	9,000	9,000	8,103
Contractual services			
Snow removal	32,000	32,000	11,277
Total expenditures	<u>41,000</u>	<u>41,000</u>	<u>19,380</u>
Net change in fund balance	<u>\$ 5,000</u>	<u>\$ 5,000</u>	5,375
Fund balance - beginning			<u>773,922</u>
Fund balance - ending			<u>\$ 779,297</u>

Village of Algonquin, Illinois

Hotel/Motel Tax Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2006

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Hotel tax	\$ 85,000	\$ 85,000	\$ 77,708
Interest	500	500	517
Total revenues	<u>85,500</u>	<u>85,500</u>	<u>78,225</u>
Expenditures			
Current			
General government			
Contractual - developer agreement	<u>85,000</u>	<u>85,000</u>	<u>113</u>
Net change in fund balance	<u>\$ 500</u>	<u>\$ 500</u>	78,112
Fund balance - beginning			<u>56,969</u>
Fund balance - ending			<u>\$ 135,081</u>

Village of Algonquin, Illinois

School Donations Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2006

	Original Budget	Final Budget	Actual
Revenues			
Contributions	\$ 2,000,000	\$ 2,000,000	\$ 528,609
Interest	8,000	8,000	5,532
Total revenues	2,008,000	2,008,000	534,141
Expenditures			
Current			
General government			
Contractual services - impact fees	2,000,000	2,000,000	489,270
Excess of revenues over expenditures	8,000	8,000	44,871
Other financing uses			
Transfers out	(3,000)	(3,000)	(3,000)
Net change in fund balance	\$ 5,000	\$ 5,000	41,871
Fund balance - beginning			215,404
Fund balance - ending			\$ 257,275

Village of Algonquin, Illinois

Street Improvement Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2006

	Original Budget	Final Budget	Actual
Revenues			
Contributions	\$ -	\$ -	\$ 4,732
Other taxes			
Utility taxes	1,075,000	1,075,000	1,397,895
Telecommunication taxes	600,000	600,000	482,498
Interest	12,000	12,000	7,532
Total revenues	<u>1,687,000</u>	<u>1,687,000</u>	<u>1,892,657</u>
Expenditures			
Current			
Public works			
Contractual services			
Legal services	1,000	1,000	-
Engineering services	274,000	274,000	180
Capital outlay			
Algonquin Hills improvements	-	-	31,951
Downtown improvements	125,000	125,000	134,456
South Algonquin improvements	1,270,000	1,270,000	1,503,385
Right of way improvements	16,500	16,500	17,935
Drainage improvements	610,000	610,000	254,553
Capital improvements	-	-	25,952
Total expenditures	<u>2,296,500</u>	<u>2,296,500</u>	<u>1,968,412</u>
Net change in fund balance	<u>\$ (609,500)</u>	<u>\$ (609,500)</u>	(75,755)
Fund balance - beginning			<u>414,470</u>
Fund balance - ending			<u>\$ 338,715</u>

Village of Algonquin, Illinois

Cemetery Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2006

	Original Budget	Final Budget	Actual
Revenues			
Charges for services			
Opening graves and closing crypts	\$ 9,000	\$ 9,000	\$ 9,876
Perpetual care	-	-	1,200
Sale of lots	2,100	2,100	4,610
Interest	6,205	6,205	4,427
Miscellaneous	16,895	16,895	15,914
Total revenues	<u>34,200</u>	<u>34,200</u>	<u>36,027</u>
Expenditures			
Current			
General government			
Commodities			
Supplies	2,000	2,000	1,092
Small tools and equipment	300	300	-
Contractual services			
Professional services	28,000	29,979	21,918
Grave openings	6,500	8,600	8,600
Insurance	2,200	2,200	1,465
Capital outlay	-	10,000	10,000
Total expenditures	<u>39,000</u>	<u>53,079</u>	<u>43,075</u>
Deficiency of revenues over expenditures	<u>(4,800)</u>	<u>(18,879)</u>	<u>(7,048)</u>
Other financing sources (uses)			
Transfers in	12,000	26,079	1,147
Transfers out	(12,000)	(26,079)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,147</u>
Net change in fund balance	<u>\$ (4,800)</u>	<u>\$ (18,879)</u>	(5,901)
Fund balance - beginning			<u>216,857</u>
Fund balance - ending			<u>\$ 210,956</u>

MAJOR DEBT SERVICE FUND

Debt Service Fund – to account for the accumulation of resources for, and the payment of, general obligation debt principal, interest and related costs.

Village of Algonquin, Illinois

Debt Service Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2006

	Original Budget	Final Budget	Actual
Revenues			
Interest	\$ 24,000	\$ 24,000	\$ 56,013
Miscellaneous	-	-	3,452
Total revenues	<u>24,000</u>	<u>24,000</u>	<u>59,465</u>
Expenditures			
Debt service			
Principal	345,000	345,000	345,000
Bond issuance cost	-	38,791	38,791
Interest and fiscal charges	218,525	246,222	244,863
Total expenditures	<u>563,525</u>	<u>630,013</u>	<u>628,654</u>
Excess (deficiency) of revenue over expenditures	<u>(539,525)</u>	<u>(606,013)</u>	<u>(569,189)</u>
Other financing sources (uses)			
General obligation bonds issued	-	91,362	2,935,000
Discount on general obligation bonds	-	(24,874)	(24,874)
Transfers in	561,515	561,515	561,000
	<u>561,515</u>	<u>628,003</u>	<u>3,471,126</u>
Net change in fund balance	<u>\$ 21,990</u>	<u>\$ 21,990</u>	2,901,937
Fund balance - beginning			<u>460,691</u>
Fund balance - ending			<u>\$ 3,362,628</u>

NONMAJOR CAPITAL PROJECTS FUND

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

Village of Algonquin, Illinois

Nonmajor Capital Projects Fund - Village Expansion

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2006

	Original Budget	Final Budget	Actual
Revenues			
Contributions	\$ 40,000	\$ 40,000	\$ 62,800
Interest	700	700	1,708
Total revenues	<u>40,700</u>	<u>40,700</u>	<u>64,508</u>
Expenditures			
Capital outlay	<u>-</u>	<u>-</u>	<u>(21,268)</u>
Net change in fund balance	<u>\$ 40,700</u>	<u>\$ 40,700</u>	85,776
Fund balance (deficit) - beginning			<u>(21,899)</u>
Fund balance - ending			<u>\$ 63,877</u>

MAJOR ENTERPRISE FUND

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

Village of Algonquin, Illinois

Waterworks and Sewerage Fund

Statement of Net Assets - by Account
April 30, 2006

	Unrestricted Accounts		Restricted Accounts			
	Operations and Maintenance	Improvements and Extension	Bond and Interest	Bond Reserve	Depreciation	Totals
Assets						
Current Assets						
Cash and cash equivalents	\$ 227,064	\$ 6,257,380	\$ -	\$ -	\$ -	\$ 6,484,444
Investments	-	3,350,000	-	-	-	3,350,000
Receivables						
Accounts	635,439	12,228	-	-	-	647,667
Interest	-	3,454	-	-	-	3,454
Prepaid items	22,168	-	-	-	-	22,168
Total current assets	884,671	9,623,062	-	-	-	10,507,733
Restricted Assets						
Cash and cash equivalents	-	-	749	-	-	749
Investments	-	-	484,000	515,000	150,000	1,149,000
Accrued interest	-	-	678	274	81	1,033
Total restricted assets	-	-	485,427	515,274	150,081	1,150,782
Capital Assets						
Cost	99,016,552	-	-	-	-	99,016,552
Accumulated depreciation	(25,296,979)	-	-	-	-	(25,296,979)
Total capital assets, net	73,719,573	-	-	-	-	73,719,573
Total assets	\$ 74,604,244	\$ 9,623,062	\$ 485,427	\$ 515,274	\$ 150,081	\$ 85,378,088

	Unrestricted Accounts		Restricted Accounts			
	Operations and Maintenance	Improvements and Extension	Bond and Interest	Bond Reserve	Depreciation	Totals
Liabilities						
Current Liabilities						
Accounts payable	\$ 251,170	\$ 565,999	\$ -	\$ -	\$ -	\$ 817,169
Accrued interest	60,874	-	-	-	-	60,874
Compensated absences	77,692	-	-	-	-	77,692
General obligation bonds payable	170,000	-	-	-	-	170,000
Revenue bonds payable	220,000	-	-	-	-	220,000
Total current liabilities	779,736	565,999	-	-	-	1,345,735
Noncurrent Liabilities						
Compensated absences payable	34,296	-	-	-	-	34,296
General obligation bonds payable, net	10,407,253	-	-	-	-	10,407,253
Revenue bonds payable, net	396,975	-	-	-	-	396,975
Total noncurrent liabilities	10,838,524	-	-	-	-	10,838,524
Total liabilities	11,618,260	565,999	-	-	-	12,184,259
Net Assets						
Invested in capital assets, net of related debt	62,525,345	-	-	-	-	62,525,345
Restricted - revenue bond covenants	-	-	485,427	515,274	150,081	1,150,782
Unrestricted (deficit)	460,639	9,057,063	-	-	-	9,517,702
Total net assets	\$ 62,985,984	\$ 9,057,063	\$ 485,427	\$ 515,274	\$ 150,081	\$ 73,193,829

Village of Algonquin, Illinois

Waterworks and Sewerage Fund

Statement of Changes in Net Assets -
Restricted Accounts
Year Ended April 30, 2006

	Bond and Interest	Bond Reserve	Depreciation	Totals
Increases				
Interest	\$ 11,040	\$ 14,060	\$ 4,174	\$ 29,274
Account transfers	579,359	-	-	579,359
Total increases	590,399	14,060	4,174	608,633
Decreases				
Account transfers	-	11,430	6,349	17,779
Bond interest and fees	116,471	-	-	116,471
Total decreases	116,471	11,430	6,349	134,250
Change in net assets	473,928	2,630	(2,175)	474,383
Restricted net assets - beginning	11,499	512,644	152,256	676,399
Restricted net assets - ending	\$ 485,427	\$ 515,274	\$ 150,081	\$ 1,150,782

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, 2006

	Original Budget	Final Budget	Actual
Operating revenues			
Charges for services			
Water and sewer revenue	\$ 4,436,150	\$ 4,436,150	\$ 4,431,385
Meter sales	299,000	299,000	189,675
Connection fees	2,700,000	2,700,000	2,560,698
Administration fee	59,500	59,500	81,562
Miscellaneous	48,390	48,390	9,698
Total operating revenues	<u>7,543,040</u>	<u>7,543,040</u>	<u>7,273,018</u>
Operating expenses excluding depreciation	<u>4,834,190</u>	<u>5,209,190</u>	<u>3,732,996</u>
Nonoperating revenues (expenses)			
Contributions	400,000	400,000	182,741
Interest income	67,750	67,750	245,981
Interest expense and fiscal agent fees	-	-	(190,168)
Total nonoperating revenues (expenses)	<u>467,750</u>	<u>467,750</u>	<u>238,554</u>

Village of Algonquin, Illinois

Waterworks and Sewerage Fund

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

Year Ended April 30, 2006

	Original Budget	Final Budget	Actual
Water department			
Personnel			
IMRF	\$ 68,490	\$ 68,490	\$ 59,334
FICA	56,335	56,335	50,645
Unemployment tax	2,490	2,490	3,893
Health insurance	113,070	113,070	96,870
Salaries	689,410	689,410	653,085
Overtime	36,750	36,750	29,883
Commodities			
Meters	74,750	89,750	147,383
Office supplies	1,450	1,450	1,728
Materials	13,570	13,570	3,456
Chemicals	157,800	112,800	148,739
Postage	31,090	31,090	24,458
Building supplies	2,850	2,850	4,659
Small tools and equipment	26,430	26,430	22,143
Fuel	20,900	20,900	25,220
Lab supplies	4,100	4,100	4,412
Office furniture and equipment	15,560	15,560	4,837
Contractual services			
Utilities	320,170	320,170	284,116
Legal services	10,000	10,000	3,749
Audit services	3,475	3,475	2,933
Engineering services	17,500	17,500	4,028
Professional services	76,970	76,970	59,817
Insurance	94,325	94,325	75,361
Publications	2,720	2,720	1,049
Printing	10,350	10,350	9,681
Equipment rental	7,210	7,210	2,978
Physical exams	1,200	1,200	323
Travel/training/dues	6,850	6,850	7,998
Bank processing fees	9,500	9,500	8,994
Uniforms	7,670	7,670	7,763
Maintenance			
Wells	41,350	41,350	44,345
Booster station	32,700	32,700	22,064
Maintenance storage facility	7,590	7,590	12,350
Treatment facility	32,950	32,950	23,626
Distribution system	37,850	37,850	33,701

Village of Algonquin, Illinois

Waterworks and Sewerage Fund

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

Year Ended April 30, 2006

	Original Budget	Final Budget	Actual
Water department (continued)			
Contractual services (continued)			
Maintenance (continued)			
Vehicle maintenance	\$ 53,000	\$ 53,000	\$ 37,321
Radio maintenance	650	650	-
Building maintenance	11,000	11,000	11,442
Maintenance - Other	12,960	12,960	12,805
Equipment maintenance	28,000	28,000	4,760
Capital outlay	3,103,700	3,103,700	4,929,731
Less fixed assets capitalized	(3,103,700)	(3,103,700)	(4,929,731)
Total water department	2,141,035	2,111,035	1,951,949
Sewer department			
Personnel			
IMRF	70,225	70,225	57,148
FICA	57,675	57,675	48,279
Unemployment tax	2,575	2,575	3,690
Health insurance	106,350	106,350	83,898
Salaries	705,575	705,575	624,805
Overtime	38,000	38,000	29,793
Commodities			
Meters	74,750	89,750	147,412
Office supplies	1,450	1,450	986
Materials	13,000	13,000	4,424
Chemicals	60,750	80,750	66,774
Postage	28,100	28,100	22,834
Building supplies	3,350	3,350	4,614
Small tools and equipment	35,345	35,345	25,011
Fuel	15,000	15,000	16,717
Lab supplies	4,100	4,100	3,739
Office furniture and equipment	24,425	24,425	7,352
Contractual services			
Utilities	192,535	192,535	226,453
Legal services	9,000	9,000	3,749
Audit services	3,475	3,475	2,933
Engineering services	30,500	30,500	8,356
Professional services	94,020	94,020	58,327

(Continued)

Village of Algonquin, Illinois

Waterworks and Sewerage Fund

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

Year Ended April 30, 2006

	Original Budget	Final Budget	Actual
Sewer department (continued)			
Contractual services (continued)			
Insurance	\$ 82,475	\$ 82,475	\$ 69,765
Publications	2,320	2,320	709
Printing	5,200	5,200	5,675
Equipment rental	9,110	9,110	3,402
Physical exams	700	700	139
Sludge removal	60,000	55,000	57,737
Travel/training/dues	7,450	7,450	7,103
Bank processing fees	9,500	9,500	8,994
Uniforms	9,170	9,170	9,746
Maintenance			
Treatment facility	71,430	71,430	53,705
Lift station	12,870	12,870	14,516
Collection station	13,450	13,450	2,196
Vehicle maintenance	53,000	53,000	40,049
Radio maintenance	650	650	-
Building maintenance	16,580	16,580	14,030
Equipment maintenance	29,600	29,600	21,519
Other	8,450	8,450	8,213
Capital outlay	2,452,000	2,452,000	2,538,894
Less capitalized amounts	(2,452,000)	(2,452,000)	(2,538,894)
Total sewer department	1,962,155	1,992,155	1,764,792
Non departmental			
Contractual services			
Engineering services	691,000	1,066,000	3,729
Legal services	40,000	40,000	8,536
Other	-	-	3,990
Total non departmental	731,000	1,106,000	16,255
Total operating expenses	\$ 4,834,190	\$ 5,209,190	\$ 3,732,996

INTERNAL SERVICE FUND

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

Village of Algonquin, Illinois

Nonmajor Internal Service Fund - Vehicle Maintenance Fund

Schedule of Revenues, Expenses and
Changes in Net Assets - Budget and Actual
Year Ended April 30, 2006

	Original Budget	Final Budget	Actual
Operating revenues			
Charges for services			
Maintenance billings	\$ 684,295	\$ 684,295	\$ 674,266
Fire district fuel	27,500	33,350	43,321
Fuel billings	159,500	224,966	224,966
Miscellaneous	-	-	58
Total operating revenues	<u>871,295</u>	<u>942,611</u>	<u>942,611</u>
Operating expenses			
Personnel	294,350	294,350	291,942
Contractual services	21,450	21,450	17,657
Supplies and materials	375,300	446,616	494,208
Maintenance	108,645	108,645	76,220
Other charges	71,550	71,550	62,584
Total operating expenses	<u>871,295</u>	<u>942,611</u>	<u>942,611</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, 2006

	Original Budget	Final Budget	Actual
Operating expenses			
Personnel			
IMRF	\$ 21,850	\$ 21,850	\$ 20,333
FICA	17,625	17,625	17,211
SUI	825	825	1,508
Health insurance	24,350	24,350	26,299
Salaries	217,700	217,700	214,369
Overtime	12,000	12,000	12,222
	<u>294,350</u>	<u>294,350</u>	<u>291,942</u>
Contractual services			
Telephone	3,300	3,300	3,263
Natural gas	10,000	10,000	7,970
Professional services	5,200	5,200	4,182
Publications	500	500	1,145
Printing and advertising	1,150	1,150	268
Equipment rental	900	900	829
Physical exams	400	400	-
	<u>21,450</u>	<u>21,450</u>	<u>17,657</u>
Supplies and materials			
Office supplies	800	800	1,128
Postage	100	100	88
Building supplies	7,550	7,550	6,388
Tools, equipment and supplies	19,850	19,850	20,919
Fuel	191,000	260,525	259,977
Oil, lubricants, and fluids	152,000	153,791	203,859
Office furniture and equipment	4,000	4,000	1,849
	<u>375,300</u>	<u>446,616</u>	<u>494,208</u>

(Continued)

Village of Algonquin, Illinois

Internal Service Fund - Vehicle Maintenance Fund

Schedule of Operating Expenses - Budget and Actual (Continued)

Year Ended April 30, 2006

	Original Budget	Final Budget	Actual
Operating expenses (continued)			
Maintenance			
Vehicle maintenance	\$ 3,500	\$ 3,500	\$ 4,426
Equipment maintenance	1,000	1,000	3,964
Radio maintenance	175	175	-
Building maintenance	9,770	9,770	10,843
Outsourced vehicle and equipment maintenance	94,000	94,000	56,265
Office equipment maintenance	200	200	722
	<u>108,645</u>	<u>108,645</u>	<u>76,220</u>
Other charges			
Travel, training and dues	9,850	9,850	6,684
Uniforms and safety items	5,200	5,200	6,087
Capital purchases	56,500	56,500	47,014
Miscellaneous	-	-	2,799
	<u>71,550</u>	<u>71,550</u>	<u>62,584</u>
Total operating expenses	<u>\$ 871,295</u>	<u>\$ 942,611</u>	<u>\$ 942,611</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, 2006

	Original Budget	Final Budget	Actual
Additions			
Contributions			
Employer	\$ 421,335	\$ 421,335	\$ 420,787
Participants	302,000	341,964	341,964
	<u>723,335</u>	<u>763,299</u>	<u>762,751</u>
Investment income			
Net appreciation in fair value of investments	-	79,302	431,717
Interest income	381,875	381,875	209,912
Less investment expenses	<u>(30,500)</u>	<u>(30,500)</u>	<u>(26,200)</u>
	<u>351,375</u>	<u>430,677</u>	<u>615,429</u>
Total additions	<u>1,074,710</u>	<u>1,193,976</u>	<u>1,378,180</u>
Deductions			
Administration	13,600	13,600	11,203
Pension benefits and refunds	<u>145,000</u>	<u>264,266</u>	<u>264,925</u>
Total deductions	<u>158,600</u>	<u>277,866</u>	<u>276,128</u>
Change in net assets	<u>\$ 916,110</u>	<u>\$ 916,110</u>	1,102,052
Net assets - beginning			<u>5,744,426</u>
Net assets - ending			<u>\$ 6,846,478</u>

Village of Algonquin, Illinois

Agency Fund - Developer Deposits

Statement of Changes in Assets and Liabilities
Year Ended April 30, 2006

	Balance, May 1	Additions	Deductions	Balance, April 30
<hr/>				
Assets				
Cash and cash equivalents	\$ 666,993	\$ 469,961	\$ 431,317	\$ 705,637
	<hr/>			
Liabilities				
Deposits	\$ 666,993	\$ 469,961	\$ 431,317	\$ 705,637
	<hr/>			

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

Village of Algonquin, Illinois

Capital Assets Used in the Operation of Governmental Funds

Schedule of Capital Assets by Source

April 30, 2006

Assets

Governmental funds capital assets

Land	\$ 100,339,298
Buildings	15,965,835
Improvements other than buildings	8,336,741
Vehicles and equipment	5,106,833
Streets/storm sewers/bridges	92,781,758
Construction in progress	<u>946,643</u>

Total governmental funds capital assets	<u><u>\$ 223,477,108</u></u>
---	------------------------------

Investment in Governmental Funds Capital Assets By Source

From current revenues and developer donations	\$ 205,735,459
Debt issuance	11,585,000
Intergovernmental	<u>6,156,649</u>

Total governmental funds capital assets	<u><u>\$ 223,477,108</u></u>
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Village of Algonquin, Illinois

Capital Assets Used in the Operation of Governmental Funds
 Schedule by Function and Activity
 April 30, 2006

	Land	Buildings	Improvements Other Than Buildings	Vehicles and Equipment	Streets/ Storm Sewers/ Bridges	Construction in Progress	Total
General government	\$ 2,966,613	\$ 5,415,205	\$ 1,475,166	\$ 2,197,029	\$ -	\$ -	\$ 12,054,013
Public safety	-	-	-	679,148	-	-	679,148
Public works	97,372,685	10,550,630	6,861,575	2,230,656	92,781,758	946,643	210,743,947
	<u>\$ 100,339,298</u>	<u>\$ 15,965,835</u>	<u>\$ 8,336,741</u>	<u>\$ 5,106,833</u>	<u>\$ 92,781,758</u>	<u>\$ 946,643</u>	<u>\$ 223,477,108</u>

Village of Algonquin, Illinois

Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
Year Ended April 30, 2006

	Balance May 1, 2005	Additions	Deletions	Balance April 30, 2006
General government	\$ 11,719,996	\$ 385,178	\$ 51,161	\$ 12,054,013
Public safety	746,361	102,946	170,159	679,148
Public works	204,757,654	8,461,893	2,475,600	210,743,947
	<u>\$ 217,224,011</u>	<u>\$ 8,950,017</u>	<u>\$ 2,696,920</u>	<u>\$ 223,477,108</u>

OTHER SUPPLEMENTARY INFORMATION

Village of Algonquin, Illinois

Long-Term Debt Requirements

General Obligation Refunding Bonds, Series 1998

April 30, 2006

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

Principal and Interest Requirements

Fiscal Year	June 30 Interest	December 30		Total
		Principal	Interest	
2007	\$ 4,215	\$ 105,000	\$ 4,215	\$ 113,430
2008	2,220	120,000	2,220	124,440
	<u>\$ 6,435</u>	<u>\$ 225,000</u>	<u>\$ 6,435</u>	<u>\$ 237,870</u>

Village of Algonquin, Illinois

Long-Term Debt Requirements

General Obligation Refunding Bonds, Series 2001A

April 30, 2006

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	
2007	\$ 38,560	\$ 170,000	\$ 38,560	\$ 247,120
2008	34,841	170,000	34,841	239,682
2009	31,123	180,000	31,123	242,246
2010	27,185	460,000	27,185	514,370
2011	17,123	405,000	17,123	439,246
2012	8,213	365,000	8,213	381,426
	<u>\$ 157,045</u>	<u>\$ 1,750,000</u>	<u>\$ 157,045</u>	<u>\$ 2,064,090</u>

Village of Algonquin, Illinois

Long-Term Debt Requirements

General Obligation Refunding Bonds, Series 2001B

April 30, 2006

Date of issue	July 1, 2001
Date of maturity	April 1, 2010
Interest rate	3.00% - 4.75%
Interest dates	October 1 and April 1
Payable at	BNY Midwest Trust Company

Principal and Interest Requirements

Fiscal Year	October 1 Interest	April 1		Total
		Principal	Interest	
2007	\$ 31,609	\$ 360,000	\$ 31,609	\$ 423,218
2008	23,734	370,000	23,734	417,468
2009	15,641	390,000	15,641	421,282
2010	7,109	325,000	7,109	339,218
	<u>\$ 78,093</u>	<u>\$ 1,445,000</u>	<u>\$ 78,093</u>	<u>\$ 1,601,186</u>

Village of Algonquin, Illinois

Long-Term Debt Requirements
Revenue Bonds, Series 2002
April 30, 2006

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

Principal and Interest Requirements

Fiscal Year	October 1 Interest	April 1		Total
		Principal	Interest	
2007	\$ 12,473	\$ 220,000	\$ 12,473	\$ 244,946
2008	8,623	235,000	8,623	252,246
2009	4,275	225,000	4,275	233,550
	<u>\$ 25,371</u>	<u>\$ 680,000</u>	<u>\$ 25,371</u>	<u>\$ 730,742</u>

Village of Algonquin, Illinois

Long-Term Debt Requirements
General Obligation Bonds, Series 2002A
April 30, 2006

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	
2007	\$ 68,453	\$ 15,000	\$ 68,453	\$ 151,906
2008	68,153	40,000	68,153	176,306
2009	67,353	50,000	67,353	184,706
2010	66,353	140,000	66,353	272,706
2011	63,378	500,000	63,378	626,756
2012	52,753	535,000	52,753	640,506
2013	41,050	560,000	41,050	642,100
2014	28,450	600,000	28,450	656,900
2015	14,950	650,000	14,950	679,900
	<u>\$ 470,893</u>	<u>\$ 3,090,000</u>	<u>\$ 470,893</u>	<u>\$ 4,031,786</u>

Village of Algonquin, Illinois

Long-Term Debt Requirements
General Obligation Bonds, Series 2002B
April 30, 2006

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	\$ 407,931	\$ 267,069	\$ 675,000
2017	385,821	289,179	675,000
2018	364,554	310,446	675,000
2019	356,869	343,131	700,000
2020	336,546	363,454	700,000
2021	251,809	308,191	560,000
	<u>\$ 2,103,530</u>	<u>\$ 1,881,470</u>	<u>\$ 3,985,000</u>

Village of Algonquin, Illinois

Long Term Debt Obligations
General Obligation Bonds, Series 2005A
April 30, 2006

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	
2007	\$ 284,379	\$ -	\$ 178,980	\$ 463,359
2008	178,980	25,000	178,980	382,960
2009	178,543	35,000	178,543	392,086
2010	177,886	25,000	177,886	380,772
2011	177,418	50,000	177,418	404,836
2012	176,480	100,000	176,480	452,960
2013	174,580	500,000	174,580	849,160
2014	164,830	525,000	164,830	854,660
2015	154,593	550,000	154,593	859,185
2016	143,868	575,000	143,868	862,735
2017	132,655	600,000	132,655	865,310
2018	120,955	625,000	120,955	866,910
2019	108,768	665,000	108,768	882,535
2020	95,800	700,000	95,800	891,600
2021	81,975	725,000	81,975	888,950
2022	67,475	775,000	67,475	909,950
2023	51,781	800,000	51,781	903,563
2024	35,581	850,000	35,581	921,163
2025	18,156	875,000	18,156	911,313
	<u>\$ 2,524,702</u>	<u>\$ 9,000,000</u>	<u>\$ 2,419,303</u>	<u>\$ 13,944,006</u>

Village of Algonquin, Illinois

Long Term Debt Obligations
General Obligation Bonds, Series 2005B
April 30, 2006

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	
2007	\$ 57,328	\$ -	\$ 57,328	\$ 114,656
2008	57,328	-	57,328	114,656
2009	57,328	-	57,328	114,656
2010	57,328	-	57,328	114,656
2011	57,328	-	57,328	114,656
2012	57,328	-	57,328	114,656
2013	57,328		57,328	114,656
2014	57,328		57,328	114,656
2015	57,328		57,328	114,656
2016	57,328	535,000	57,328	649,656
2017	46,963	550,000	46,963	643,926
2018	36,238	575,000	36,238	647,476
2019	25,025	625,000	25,025	675,050
2020	12,838	650,000	12,838	675,676
	<u>\$ 694,344</u>	<u>\$ 2,935,000</u>	<u>\$ 694,344</u>	<u>\$ 4,323,688</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	101-106
These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	
Revenue Capacity	107-112
These schedules contain information to help the reader assess the factors affecting the Village's ability to generate its property and sales taxes.	
Debt Capacity	113-116
These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.	
Demographic and Economic Information	117-119
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place and to help make comparisons over time and with other governments.	
Operating Information	120-122
These schedules contain information about the Village's operations and resources to help the reader understand how the village's financial information relates to the services the village provides and the activities it performs.	

Sources:

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

Village of Algonquin, Illinois

Net Assets by Component
Last Three Fiscal Years

	Fiscal Year		
	2004	2005	2006
Governmental Activities			
Invested in Capital Assets Net of Related Debt	\$ 151,374,388	\$ 183,288,852	\$ 183,861,002
Restricted	1,641,311	1,109,522	1,143,253
Unrestricted	5,633,822	7,566,682	10,808,910
Total Governmental Activities	\$ 158,649,521	\$ 191,965,056	\$ 195,813,165
Business-type Activities			
Invested in Capital Assets Net of Related Debt	\$ 46,225,747	\$ 66,551,245	\$ 62,525,345
Restricted	681,047	676,399	1,150,782
Unrestricted	8,415,453	5,103,093	9,517,702
Total Business-type Activities	\$ 55,322,247	\$ 72,330,737	\$ 73,193,829
Total			
Invested in Capital Assets Net of Related Debt	\$ 197,600,135	\$ 249,840,097	\$ 246,386,347
Restricted	2,322,358	1,785,921	2,294,035
Unrestricted	14,049,275	12,669,775	20,326,612
Total Primary Government	\$ 213,971,768	\$ 264,295,793	\$ 269,006,994

Data Source

Audited Financial Statements

Village of Algonquin, Illinois

Change in Net Assets
Last Three Fiscal Years

	Fiscal Year		
	2004	2005	2006
Expenses			
Governmental Activities			
General Government	\$ 3,431,227	\$ 5,287,207	\$ 4,382,832
Public Safety	5,460,846	5,681,127	6,808,738
Public Works	5,710,739	7,383,989	7,655,372
Interest	364,595	359,523	428,104
Total Governmental Activities Expenses	14,967,407	18,711,846	19,275,046
Business-type Activities			
Water and Sewer	5,598,450	9,660,213	6,838,648
Total Business-type Activities Expenses	5,598,450	9,660,213	6,838,648
Total Primary Government Expenses	\$ 20,565,857	\$ 28,372,059	\$ 26,113,694
Program Revenues			
Governmental Activities			
Charges for Services			
General Government	\$ 1,361,652	\$ 2,041,643	\$ 1,510,482
Public Safety	890,323	853,227	645,748
Public Works	75,090	86,102	34,570
Operating Grants and Contributions	2,569,938	3,485,828	1,604,390
Capital Grants and Contributions	16,116,299	32,715,967	4,109,196
Total Governmental Activities Program Revenues	21,013,302	39,182,767	7,904,386
Business-type Activities			
Charges for Services			
Water and Sewer	5,933,858	8,026,313	7,273,018
Operating Grants and Contributions	1,108,796	499,280	3,200
Capital Grants and Contributions	5,864,326	17,961,942	179,541
Total Business-type Activities Program Revenues	12,906,980	26,487,535	7,455,759
Total Primary Government Program Revenues	\$ 33,920,282	\$ 65,670,302	\$ 15,360,145
Net (Expense) Revenue			
Governmental Activities	\$ 6,045,895	\$ 20,470,921	\$ (11,370,660)
Business-type Activities	7,308,530	16,827,322	617,111
Total Primary Government Net (Expense) Revenue	\$ 13,354,425	\$ 37,298,243	\$ (10,753,549)

Village of Algonquin, Illinois

Change in Net Assets (Continued)
Last Three Fiscal Years

	Fiscal Year		
	2004	2005	2006
General Revenues and Other Changes in Net Assets			
Governmental Activities			
Taxes			
Property	\$ 3,296,024	\$ 3,889,332	\$ 4,266,257
Sales	3,569,189	4,105,890	5,573,263
Income and Use	1,732,317	2,231,053	2,496,391
Utility	1,070,443	1,145,222	1,397,896
Other	1,135,522	1,219,739	1,124,126
Investment Earnings	126,958	158,115	325,513
Miscellaneous	(407,067)	95,263	35,323
Transfers	-	-	-
Total Governmental Activities	10,523,386	12,844,614	15,218,769
Business-type Activities			
Investment Earnings	114,704	181,168	245,981
Miscellaneous	(250,395)	-	-
Transfers	-	-	-
Total Business-type Activities	(135,691)	181,168	245,981
Total Primary Government	\$ 10,387,695	\$ 13,025,782	\$ 15,464,750
Change in Net Assets			
Governmental Activities	\$ 16,569,281	\$ 33,315,535	\$ 3,848,109
Business-type Activities	7,172,839	17,008,490	863,092
Total Primary Government Change in Net Assets	\$ 23,742,120	\$ 50,324,025	\$ 4,711,201

Data Source

Audited Financial Statements

Village of Algonquin, Illinois

Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Fund										
Reserved	\$ 24,012	\$ 392,535	\$ 376,404	\$ 114,531	\$ 65,287	\$ -	\$ 56,663	\$ 67,970	\$ 73,572	\$ 73,689
Unreserved	2,663,009	2,451,055	2,182,288	2,415,964	2,909,169	2,044,362	1,155,543	1,984,223	3,846,707	4,737,674
Total General Fund	<u>\$ 2,687,021</u>	<u>\$ 2,843,590</u>	<u>\$ 2,558,692</u>	<u>\$ 2,530,495</u>	<u>\$ 2,974,456</u>	<u>\$ 2,044,362</u>	<u>\$ 1,212,206</u>	<u>\$ 2,052,193</u>	<u>\$ 3,920,279</u>	<u>\$ 4,811,363</u>
All Other Governmental Funds										
Reserved	\$ 493,034	\$ 1,116,347	\$ 1,170,447	\$ -	\$ -	\$ -	\$ -	\$ 2,135,363	\$ 1,570,213	\$ 4,505,881
Unreserved, reported in										
Special Revenue Funds	2,046,447	2,870,172	4,242,958	6,241,000	7,497,457	8,104,587	6,875,752	3,567,165	3,715,606	3,074,909
Capital Project Funds	121,646	12,757	87,445	654,065	1,543,668	7,850,974	2,719,338	31,162	(21,899)	63,877
Debt Service Funds	-	-	-	498,407	537,517	582,010	595,259	-	-	-
Total All Other Governmental Funds	<u>\$ 2,661,127</u>	<u>\$ 3,999,276</u>	<u>\$ 5,500,850</u>	<u>\$ 7,393,472</u>	<u>\$ 9,578,642</u>	<u>\$ 16,537,571</u>	<u>\$ 10,190,349</u>	<u>\$ 5,733,690</u>	<u>\$ 5,263,920</u>	<u>\$ 7,644,667</u>

Data Source

Audited Financial Statements

Village of Algonquin, Illinois

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Revenues										
Taxes	\$ 3,741,467	\$ 4,071,492	\$ 4,583,497	\$ 4,967,915	\$ 5,768,528	\$ 6,456,006	\$ 7,630,517	\$ 10,687,467	\$ 12,502,435	\$ 14,729,311
Licenses and Permits	453,656	439,805	520,591	703,225	1,130,910	1,195,121	1,081,629	711,050	1,564,632	1,111,868
Intergovernmental	1,895,732	2,315,304	2,326,291	3,110,461	3,699,363	3,068,438	3,446,123	53,000	-	-
Intergovernmental, grants and contributions	-	-	-	-	-	-	-	2,550,352	3,485,828	2,414,341
Charges for Services	534,658	1,099,768	703,333	980,895	838,563	849,321	902,084	811,630	557,327	480,582
Fines and Forfeitures	350,109	423,782	443,505	514,247	523,258	641,270	564,154	804,387	859,013	576,564
Investment Income	391,541	306,557	341,108	431,559	640,433	442,898	378,085	126,958	158,115	325,514
Miscellaneous	350,981	529,729	605,060	815,751	591,643	1,147,376	772,364	148,336	135,415	65,359
Total Revenues	7,718,144	9,186,437	9,523,385	11,524,053	13,192,698	13,800,430	14,774,956	15,893,180	19,262,765	19,703,539
Expenditures										
General Government	1,595,138	1,555,207	1,692,209	1,795,987	2,056,607	2,338,553	2,502,442	3,096,296	4,198,060	4,040,376
Public Safety	1,986,036	2,014,485	2,513,675	2,874,840	3,374,457	3,736,608	4,563,809	5,175,559	5,479,560	6,622,469
Highways and Streets	1,246,709	1,229,894	1,531,079	1,498,104	1,737,132	2,029,600	2,341,470	-	-	-
Public Works	-	-	-	-	-	-	-	3,181,664	4,479,163	3,978,291
Culture and Recreation	239,384	417,288	519,019	627,698	593,221	1,044,047	1,749,971	-	-	-
Miscellaneous	-	-	-	-	-	47,480	54,879	-	-	-
Capital Outlay	5,643,725	2,715,706	1,712,532	2,350,055	2,373,845	4,980,188	9,996,548	8,362,461	3,234,345	3,900,017
Debt Service										
Principal	80,000	125,000	150,000	260,000	300,000	380,000	365,000	385,000	463,181	504,547
Interest	268,575	264,363	265,180	229,175	215,202	152,403	297,446	271,768	261,888	296,134
Other Charges	-	-	-	-	-	-	-	-	-	-
Total Expenditures	11,059,567	8,321,943	8,383,694	9,635,859	10,650,464	14,708,879	21,871,565	20,472,748	18,116,197	19,341,834
Excess of Revenues over (under)										
Expenditures	(3,341,423)	864,494	1,139,691	1,888,194	2,542,234	(908,449)	(7,096,609)	(4,579,568)	1,146,568	361,705

(Continued)

Village of Algonquin, Illinois

Changes in Fund Balances of Governmental Funds (Continued)

Last Ten Fiscal Years

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Other financing Sources (Uses)										
Transfers In	\$ 1,642,969	\$ 1,166,800	\$ 757,854	\$ 917,531	\$ 1,184,083	\$ 2,495,312	\$ 1,348,251	\$ 560,319	\$ 562,909	\$ 574,104
Transfers Out	(1,654,313)	(1,168,228)	(765,899)	(1,155,820)	(1,191,628)	(521,700)	(1,184,790)	(560,319)	(562,909)	(574,104)
Proceeds from Capital Lease	-	-	-	-	-	-	-	-	250,000	-
Proceeds from bonds	-	-	762,832	-	-	6,672,542	-	-	-	2,935,000
Discount on general obligation bond	-	-	-	-	-	-	-	-	-	(24,874)
Transfer to refunded bond escrow	-	-	(749,834)	-	-	(1,883,335)	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	36,107	1,748	-
Total Other Financing Sources (Uses)	(11,344)	(1,428)	4,953	(238,289)	(7,545)	6,762,819	163,461	36,107	251,748	2,910,126
Net Change in Fund Balances	\$ (3,352,767)	\$ 863,066	\$ 1,144,644	\$ 1,649,905	\$ 2,534,689	\$ 5,854,370	\$ (6,933,148)	\$ (4,543,461)	\$ 1,398,316	\$ 3,271,831
Debt Service as a Percentage of										
Noncapital Expenditures	6.44%	6.95%	6.22%	6.71%	6.22%	5.47%	5.58%	5.42%	4.87%	5.19%

Data Source

Audited Financial Statements

Village of Algonquin, Illinois

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

Levy Year	Residential Property	Commercial Property	Industrial Property	Other Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value
1996	\$ 317,731,049	\$ 29,893,969	\$ 6,958,992	\$ 1,920,146	\$ 356,504,156	0.4981	\$ 1,069,512,468	33.333%
1997	378,758,062	31,904,285	6,979,204	1,759,727	419,401,278	0.4864	1,258,203,834	33.333%
1998	385,076,822	35,818,067	7,057,917	1,708,196	429,661,002	0.4883	1,288,983,006	33.333%
1999	412,238,060	42,123,208	7,057,714	1,739,868	463,158,850	0.4942	1,389,476,550	33.333%
2000	452,961,962	51,208,983	7,442,312	1,971,624	513,584,881	0.4888	1,540,754,643	33.333%
2001	506,639,288	62,111,310	7,824,176	1,552,693	578,127,467	0.5017	1,734,382,401	33.333%
2002	577,484,565	70,582,133	8,270,997	1,968,247	658,305,942	0.4559	1,974,917,826	33.333%
2003	654,009,810	82,214,307	8,849,966	1,998,214	747,072,297	0.4837	2,241,216,891	33.333%
2004	713,442,229	108,993,553	9,917,640	2,083,909	834,437,331	0.4765	2,503,311,993	33.333%
2005	797,460,690	136,704,248	10,954,984	1,971,828	947,091,750	0.4641	2,841,275,250	33.333%

Data Source

Office of the County Clerks and Township Assessors

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

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

Grafton Township - Quadrennial (minimum).

Village of Algonquin, Illinois

Property Tax Rates - Direct and Overlapping Governments

Last Ten Levy Years

	Levy Year									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Village Direct Rates										
General Corporate	\$ 0.4981	\$ 0.4864	\$ 0.4883	\$ 0.4942	\$ 0.4888	\$ 0.5017	\$ 0.4559	\$ 0.4837	\$ 0.4765	\$ 0.4641
Overlapping Rates										
Fire Districts (4)	1.5713	1.7919	1.7775	1.8356	2.1062	2.0794	2.1951	2.0966	2.1202	2.0788
Kane County	0.4975	0.4972	0.4912	0.4772	0.4677	0.4529	0.4292	0.3578	0.3467	0.3367
Kane County Forest Preserve	0.1192	0.1183	0.1171	0.1985	0.1634	0.1520	0.1395	0.1270	0.1432	0.1905
McHenry County	0.6686	0.6628	0.6531	0.6482	0.6440	0.6380	0.6725	0.7153	0.7346	0.7278
McHenry County Conservation	0.1360	0.1323	0.1309	0.1282	0.1254	0.1808	0.1734	0.1663	0.1580	0.1490
Park Districts (3)	0.8020	0.7940	0.7728	0.7623	0.8198	0.7403	0.6960	0.7603	0.7577	0.7313
Public Libraries (3)	0.6406	0.6438	0.7004	0.7116	0.7017	0.7244	0.7484	0.7199	0.7104	0.6675
Road & Bridge (3)	0.3646	0.3447	0.3310	0.3162	0.3008	0.2898	0.2769	0.2587	0.2439	0.2335
Schools (4)	13.6182	13.3304	13.3086	13.2503	9.3110	9.5809	9.1332	8.6983	8.9773	9.0626
Townships (3)	0.4133	0.3561	0.3485	0.3425	0.3425	0.3341	0.3217	0.3051	0.2899	0.2753

Data Source

Office of the County Clerk

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

Village of Algonquin, Illinois

Principal Property Taxpayers Current Year and Three Years Ago

Taxpayer	2005			2002*		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
Algonquin Phase I Associates LLC	\$ 17,279,902	1	1.82%	\$ -	-	0.00%
Rubloff Oakridge Algonquin LLC	8,291,963	2	0.88%	-	-	0.00%
Meijer Stores LTD Partnership	5,545,302	3	0.59%	4,825,000	1	0.73%
Target Corporation	4,260,220	4	0.45%	2,621,268	5	0.40%
LTF USA Real Estate LLC	4,099,118	5	0.43%	3,556,667	2	0.54%
Wal Mart Real Estate	3,948,211	6	0.42%	-	-	0.00%
RPA Shopping Center Ph. 1 LLC	3,524,283	7	0.37%	3,050,000	-	0.46%
HD Development of MD Inc.	3,308,208	8	0.35%	3,092,940	3	0.47%
Nickels Quarters LLC	2,849,662	9	0.30%	-	4	0.00%
Chokshi, R N/Jyotsana	2,179,789	10	0.23%	-	-	0.00%
Cub Foods	-	-	0.00%	2,171,049	6	0.33%
Eastgate Manor	-	-	0.00%	2,032,129	7	0.31%
Sherman Health Systems	-	-	0.00%	1,396,117	8	0.21%
Brunswick Zone	-	-	0.00%	1,333,463	9	0.20%
Wells Manufacturing	-	-	0.00%	1,317,610	10	0.20%
	<u>\$ 55,286,658</u>		<u>5.84%</u>	<u>\$ 25,396,243</u>		<u>2.60%</u>

Data Source

Office of the County Clerk

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

* 2002 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
1996	\$ 1,774,186	\$ 1,771,654	99.86%
1997	1,873,385	1,926,305	102.82%
1998	2,098,213	2,097,328	99.96%
1999	2,280,130	2,276,679	99.85%
2000	2,350,739	2,504,053	106.52%
2001	2,870,821	2,865,875	99.83%
2002	3,031,293	3,028,404	99.90%
2003	3,613,946	3,611,296	99.93%
2004	3,975,083	3,967,470	99.81%
2005	4,395,747	N/A	N/A

Data Source

Office of the County Clerk

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

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

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

Collections for prior tax years are immaterial.

Village of Algonquin, Illinois

Sales Tax Base and Number of Principal Payers

Taxable Sales by Category

Last Ten Calendar Years

	Calendar Year									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
General Merchandise	\$ 18,020	\$ 11,827	\$ 394	\$ -	\$ 822,568	\$ 941,587	\$ -	\$ 137,617	\$ 1,058,941	\$ 1,040,830
Food	524,212	493,499	503,429	541,246	769,581	783,315	1,175,490	1,355,084	541,265	494,863
Drinking and Eating Places	144,357	156,148	171,132	186,363	347,559	385,463	294,464	326,706	380,648	573,544
Apparel	2,224	2,032	1,226	-	59,814	56,660	-	7,293	125,721	490,072
Furniture & H.H. & Radio	45,243	48,762	28,147	27,877	41,419	76,157	26,155	43,667	119,671	423,118
Lumber, Building, Hardware	118,738	118,741	28,579	45,088	281,490	320,527	340,652	369,377	349,357	313,334
Automobile and Filling Stations	124,799	172,570	110,888	117,587	1,588,495	1,764,043	165,283	305,002	980,034	1,067,088
Drugs and Miscellaneous Retail	190,629	209,774	237,164	250,054	423,305	450,414	301,959	316,753	391,772	587,094
Agriculture and All Others	48,496	47,658	154,776	174,389	425,921	435,123	206,661	121,758	142,410	165,951
Manufacturers	8,203	7,117	93,815	98,227	141,723	129,450	99,685	129,754	141,810	135,846
Total	\$ 1,224,921	\$ 1,268,127	\$ 1,329,551	\$ 1,440,842	\$ 4,901,875	\$ 5,345,984	\$ 2,618,726	\$ 3,308,709	\$ 4,057,929	\$ 5,291,741
Total Number of Payers	688	624	663	585	560	580	700	674	770	906
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%

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.

Village of Algonquin, Illinois

Direct and Overlapping Sales Tax Rates Last Ten Fiscal Years

Fiscal Year	Village Direct Rate	State Rate
1997	1.00%	5.50%
1998	1.00%	5.50%
1999	1.00%	5.50%
2000	1.00%	5.50%
2001	1.00%	5.50%
2002	1.00%	5.50%
2003	1.00%	5.50%
2004	1.00%	5.50%
2005	1.00%	5.50%
2006	1.00%	5.50%

Data Source

Village and County Records

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			
1997	\$ 4,255,000	\$ -	\$ -	\$ 4,915,000	\$ 9,170,000	2.57%	\$ 453.71
1998	4,130,000	-	-	4,700,000	8,830,000	2.11%	412.33
1999	4,080,000	-	-	4,470,000	8,550,000	1.90%	382.62
2000	3,820,000	-	-	4,230,000	8,050,000	1.74%	345.85
2001	3,520,000	-	-	3,975,000	7,495,000	1.46%	304.06
2002	8,078,794	-	2,295,000	1,520,000	11,893,794	2.06%	441.25
2003	7,807,243	-	2,170,000	1,310,000	11,287,243	1.71%	404.78
2004	7,612,841	-	2,050,000	1,095,000	10,757,841	1.44%	363.44
2005	7,202,882	201,819	1,905,000	890,000	10,199,701	1.22%	334.75
2006	9,798,530	142,272	10,750,000	680,000	21,370,802	2.26%	684.74

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	
1997	\$ 4,255,000	\$ 493,034	\$ 3,761,966	1.06%	\$ 186.13	3
1998	4,130,000	484,695	3,645,305	0.87%	170.22	1
1999	4,080,000	466,763	3,613,237	0.84%	161.70	3
2000	3,820,000	498,407	3,321,593	0.72%	142.70	2
2001	3,520,000	537,517	2,982,483	0.58%	120.99	3
2002	10,373,794	582,010	9,791,784	1.69%	363.26	3
2003	9,977,243	595,259	9,381,984	1.43%	336.45	1
2004	9,662,841	489,627	9,173,214	1.23%	309.91	3
2005	9,107,882	460,691	8,647,191	1.04%	283.84	3
2006	20,548,530	3,362,628	17,185,902	1.81%	550.65	3

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, 2006

Governmental unit	Gross Debt	Percentage Debt Applicable to the Village of Algonquin*	Village of Algonquin Share of Debt
Kane County	\$ 52,670,000	1.97%	\$ 1,037,599
McHenry County (3)	1,334,767	8.25%	110,118
McHenry County Conservation District	85,981,000	8.42%	7,239,600
Kane County Forest Preserve	176,035,000	1.97%	3,467,890
Dundee Township Park District	8,040,000	15.110%	1,214,844
Huntley Park District	23,530,000	10.11%	2,378,883
Dundee Township	31,050,000	15.13%	4,697,865
Algonquin Library	6,825,000	61.89%	4,223,993
Huntley Library	1,745,000	4.08%	71,196
Schools			
District No. 300	166,848,937	28.61%	47,735,481
District No. 158	112,247,861	10.65%	11,954,397
District No. 509	52,210,386	7.68%	4,009,758
District No. 528	<u>1,315,000</u>	1.44%	<u>18,936</u>
Subtotal, overlapping debt	<u>719,832,951</u>		<u>88,160,559</u>
Village of Algonquin direct debt	<u>\$ 21,370,802</u>	100.00%	<u>\$ 21,370,802</u>
Total direct and overlapping debt	<u><u>\$ 741,203,753</u></u>		<u><u>\$ 109,531,361</u></u>

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

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

Village of Algonquin, Illinois

Schedule of Legal Debt Margin

April 30, 2006

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					
1997	\$	2,507,242	\$	1,687,233	\$	820,009	\$	200,000	\$	311,034	1.60
1998		2,621,736		1,616,241		1,005,495		215,000		298,680	1.96
1999		2,821,141		2,092,659		728,482		230,000		285,051	1.41
2000		6,646,384		2,619,406		4,026,978		240,000		270,125	7.89
2001		7,745,259		2,997,515		4,747,744		255,000		254,300	9.32
2002		8,750,460		3,165,383		5,585,077		310,000		148,775	12.17
2003		8,398,757		3,285,507		5,113,250		210,000		49,610	19.70
2004		7,157,358		3,423,976		3,733,382		215,000		43,730	14.43
2005		8,706,761		3,908,619		4,798,142		205,000		37,710	19.77
2006		7,701,740		3,732,996		3,968,744		210,000		31,560	16.43

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	
1996	19,007	(A)	\$	356,504,156	\$	18,756	2.4%
1997	20,211	(E)		419,401,278		20,751	2.2%
1998	21,415	(A)		429,661,002		20,064	2.2%
1999	22,346	(E)		463,158,850		20,727	2.0%
2000	23,276	(A)		513,584,881		22,065	2.1%
2001	24,650	(E)		578,127,467		23,453	3.8%
2002	26,955	(E)		658,305,942		24,422	5.6%
2003	27,885	(A)		747,072,297		26,791	5.9%
2004	29,600	(E)		834,437,331		28,190	4.8%
2005	30,470	(E)		947,091,750		31,083	4.7%

Note: 2006 information is not yet available

(A) Actual
(E) Estimate

Note: Personal Income data not available

Village of Algonquin, Illinois

Principal Employers

Current Year and Nine Years Ago

Employer	2005			1997		
	Employees	Rank	% of Total Village Population	Employees	Rank	% of Total Village Population
Crystal Die and Mold, Inc.	160	1	1.34%	120	5	1.92%
Village of Algonquin	140	2	1.17%	95	7	1.52%
Wauconda Tool and Engineering, Inc.	135	3	1.13%	130	3	2.08%
Kenmode Tool and Engineering, Inc.	125	4	1.04%	125	4	2.00%
Meyer Material Co.	100	5	0.83%	30	10	0.48%
Duro-Life Corp.	80	6	0.67%	115	6	1.84%
Schiffmayer Plastics Corp.	75	7	0.63%	200	2	3.21%
Target Manufacturing Inc.	50	8	0.42%	-		0.00%
Algonquin State Bank	50	9	0.42%	50	8	0.80%
Michael Christopher Ltd	45	10	0.38%	-		0.00%
School District Number 300*	-	-	-	285	1	4.57%
Grecon Manufacturing Inc.	-	-	-	40	9	0.64%

Data Source

* Only schools located in the Village of Algonquin

1998 Illinois Manufacturing Directory, 1998 Illinois Services Directory, 2005 Illinois Manufacturing Directory, 2005 Illinois Services Directory and a selective telephone survey.

Village of Algonquin, Illinois

Full-Time Equivalent Employees Last Ten Fiscal Years

Function/Program	Full-Time-Equivalent Employees as of April 30									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Government										
Administration	10	11	10	9	14	13	15	15	16	17
Community Development	7	8	9	8	10	11	11	11	10	12
Public Safety										
Police										
Officers	28	31	35	37	38	40	41	41	42	46
Civilians	8	9	8	11	10	12	14	14	14	7
Public Works										
Public Works Administration	0	6	8	6	9	7	7	7	8	9
Streets Department	13	8	8	9	10	12	12	12	13	14
Parks	0	7	7	7	9	12	12	13	13	14
Vehicle Maintenance	0	0	0	0	0	3	4	5	4	5
Water										
Water and Sewer	10	13	11	16	17	18	19	20	20	20
Total	76	93	96	103	117	128	135	138	140	144

Data Source

Village Finance Department

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

Village of Algonquin, Illinois

Operating Indicators

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Government										
Community Development										
Building permits issued	N/A	N/A	N/A	N/A	N/A	1,703	2,043	2,028	2,403	1,913
Building inspections conducted	N/A	N/A	N/A	N/A	N/A	15,600	9,800	9,911	12,414	9,463
Property maintenance inspections conducted	N/A	N/A	N/A	N/A	N/A	1,040	954	1,165	1,219	1,943
Public Safety										
Police										
Physical arrests	809	984	1,131	1,230	1,100	987	1,015	776	786	279
Parking violations	N/A	N/A	N/A	N/A	793	617	1,320	576	869	548
Traffic violations	3,173	4,548	4,446	5,201	5,304	8,078	9,237	5,940	6,075	2,057
Public Works										
Streets										
Street resurfacing (miles)	1.81	3.74	2.34	1.44	1.33	6.24	1.45	5.60	0.67	1.12
Potholes repaired	400	425	375	360	340	325	270	300	280	210
Parks and Recreation										
Park sites	13	13	14	15	16	17	18	19	20	20
Developed park acreage	14	14	141	184	185	199	234	247	251	251
Open space	85.7	137.9	144	149	154	154	197	273	273	273
Water										
New Connections (tap-ons)	N/A	N/A	N/A	N/A	N/A	632	296	365	440	400
Average daily consumption*	1900	2000	2,000	2,500	2,900	2,740	2,930	2,810	2,808	3,003
Peak daily consumption*	N/A	2700	2,500	4,200	4,000	6,342	6,154	4,443	4,895	5,610
Wastewater										
Average daily sewage treatment**	2.2	2.2	2	2	2	2	2	3	3	3

* (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									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Geographic Patrol Areas	4	4	5	5	5	5	5	5	5	6
Public Works										
Streets										
Streets (miles)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	200	248	248
Streetlights	48	48	48	48	58	100	130	130	160	160
Parks and Recreation										
Acreage	200	252	285	333	339	353	431	520	524	524
Playgrounds	10	10	11	11	12	13	14	15	16	16
Sites with baseball diamonds	7	7	7	7	7	8	9	9	9	9
Sites with soccer fields	6	6	7	8	8	9	10	10	11	11
Sites with basketball courts	6	7	8	8	9	10	11	12	13	13
Sites with tennis courts	3	3	30	3	3	4	4	4	4	4
Water										
Water mains (miles)	N/A	N/A	N/A	N/A	N/A	N/A	102	130	150	160
Fire hydrants	N/A	N/A	N/A	N/A	N/A	N/A	1,573	1,650	2,050	2,180
Storage capacity*	2.640	2.640	2.640	2.640	2.640	2.640	2.640	2.640	2.640	3.390
Wastewater										
Sanitary sewers (miles)	N/A	N/A	N/A	N/A	N/A	N/A	99	112	127	135
Treatment capacity*	2.151	2.024	1.946	1.927	2.252	3.030	2.799	3.027	2.872	2.834

Data Source

Various village departments

* (thousands of gallons)