

Village of Algonquin, Illinois

Comprehensive Annual Financial Report
Year Ended April 30, 2011

Village of Algonquin, Illinois

Comprehensive Annual Financial Report
Year Ended April 30, 2011

Issued by the Finance Department

John R. Walde
Finance Director

Susan Skillman
Assistant Finance Director

Village of Algonquin, Illinois

Comprehensive Annual Financial Report

Year Ended April 30, 2011

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**Village of Algonquin, Illinois
Principal Officials**

April 30, 2011

Legislative

Village Board of Trustees

John C. Schmitt, Village President

Brian Dianis

Robert M. Smith

Jerry Glogowski

John Spella

Debby Sosine

Jim A. Steigert

Gerald S. Kautz, Clerk

Appointed Officials

William J. Ganek, Village Manager

John R. Walde, Treasurer



Village of Algonquin

The Gem of the Fox River Valley

September 22, 2011

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, 2011, is hereby submitted as mandated by local ordinances and state statutes. These ordinances and statutes require that the Village issue annually a report on its financial position and activity presented in conformance with generally accepted accounting principles (GAAP) in the United States of America and audited in accordance with generally accepted auditing standards (GAAS) by an independent firm of certified public accountants.

This report consists of management's representations concerning the finances of the Village of Algonquin. The Village is responsible for the accuracy and fairness of the presentation of the financial statements and other information as presented herein. The data presented in this report is believed to be accurate in all material respects, and all statements and disclosures necessary for the reader to obtain a thorough understanding of the Village's financial activities have been included. To provide a reasonable basis for making these representations, management of the Village has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient, reliable information for the preparation of the Village of Algonquin's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Village's comprehensive framework of internal controls has been designed to provide reasonable assurance rather than absolute assurance that the financial statements will be free from material misstatement. 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, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon audit, that there was a reasonable basis for rendering an unqualified opinion that the Village's financial statements for the fiscal year ended April 30, 2011, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Village of Algonquin

The Village of Algonquin, a home rule community as defined by the Illinois Constitution, was incorporated in 1890 and is located approximately 45 miles northwest of the City of Chicago in McHenry and Kane Counties. Algonquin has a land area of 12 square miles and a population of 30,046 as certified in the 2010 Decennial Census. The Village also has the power by state statute to extend its corporate limits by annexation, which is done periodically when deemed appropriate, by the Village Board.

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

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

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

Major Initiatives

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

Examples of some of these projects are as follows:

The Village has informally planned to increase the General Fund cash reserves from three months of operating expenses to six months. At the end of the fiscal year, the cash reserves were 5.0 months of operating expenses which will improve the ability of the Village to withstand a potential double dip recession in the economy.

Each division in the Village identified performance measures that monitor their individual operations and quarterly reviews are conducted at departmental meetings to determine progress in meeting Village-wide goals.

Village customer service employees have been trained on a Citizen Request Management (CRM) system and are entering citizen requests in the system. This allows for a tracking system for staff and requests can be dispatched to our field crews faster and more efficiently. It also provides accountability for the departments responsible for the request and allows citizens to follow the work progress with a tracking identification number.

Various Village facilities received professional energy audits completed by SEDAC (Smart Energy Design Assistance Center) at no cost to the Village. The goal of the audits was to decrease usage of electricity and natural gas in municipal buildings. The Village also received an Energy Efficiency and Conservation Block Grant (EECBG) to implement audit strategies for weatherization and insulation measures. The audits also provide other strategies to implement cost-saving measures in a comprehensive approach in the Village.

As a result of declining revenues due to the recession, staff diligently managed the budget and ultimately made expenditure reductions in the General Fund in excess of \$1.2 million, or 7.0% of the budgeted expenditures.

New Initiatives for 2011-2012

The Village, together with other local governments, has executed two fixed rate contracts for electric energy for our meters. A four year agreement was reached for the high usage meters that will reduce energy costs by 21 percent to 33 percent for off peak/on peak energy rates, respectively. A separate agreement covered a number of lower usage village meters and establishes the energy rate for the coming year.

The Village has explored and recently began to execute Intergovernmental Agreements with area governments and special districts which will maximize our employee utilization and generate intergovernmental revenue while assisting the other agencies in lowering their costs in areas such as vehicle and equipment maintenance, information technology, plan reviews, and building inspections.

The Village has extended our e-communication with the public via the use of Social Media. Facebook, Twitter and Nixle have established real-time communication with residents; a no cost feature for the Village.

The Village will go live in the fall with Voice over Internet Protocol (VoIP) phone system which expects to reduce recurring phone costs and implement efficiency via modern technology applications.

A revamped Village web site will be available to the public in fall 2011. The new site will utilize a modern template which allows for viewing on mobile devices. Additionally, Real Simple Synchronization (RSS) will be implemented, allowing users to track site updates and also permits the Village to integrate the web site with its social media applications, allowing for automation of communication tasks. A new Geographic Information System (GIS) will be implemented, allowing users to track site updates and also permits the Village to integrate the web site with its social media applications, allowing for automation of communication tasks. A new GIS mapping application has also been launched on an interoperable platform, allowing greater accessibility and performance for users.

Factors Affecting Financial Condition

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

Local Economy

The Village's experience in the local economy indicates that unemployment in Algonquin continues at a high level with a June 2011 report of 9.3% which was slightly higher than the same period last year (8.9%) but less than June 2009 (9.8%). On the other hand, Algonquin's unemployment rate continues to be lower than that of the State of Illinois and equal to McHenry County, 9.7% and 9.3%, respectively, for the same period. The statewide economy continues to impact Village finances. On the positive side, a major revenue source, state shared income tax, experienced a 5.0% increase in the per capita distribution rate, reversing a two year decline. The negative side was that the state continued the slow distribution of income tax allocations (five months in arrears as of April 2010 and three months as of April 2011) which unfavorably impacts our cash position and investment income.

The major industry in the Village is retail sales and state shared sales tax revenue is the Village's primary revenue source. This year the shared sales tax collections resulted in a 2.4% increase from the prior year as the local economy has begun to improve. Assessed values in the Village, however, decreased by 6.9% with residential property impacted the most with an 8.1% reduction. As a home rule community, however, the Village Tax Levy is not subject to PTEL reduction of taxes and collection is reasonably assured since the County Treasurers have tax sales for unpaid tax bills.

Debt Administration

As of April 30, 2011, the Village had four outstanding debt issues, all of which were general obligation bonds. There was one refunding bond issue this year as Series 2001A and 2002A were called and retired. Outstanding were \$17,301,752 for general obligation bonds which includes Series 2002B (\$2,721,752) which will be called on April 1, 2012, and retired. Continuing its practice, the Village abated \$1,431,210 of the 2010 Tax Levy for debt service. Under current state statutes, the Village has no legal debt limit on general obligation debt.

Long-Term Financial Planning

Bond Series 2005B had been issued as an advance refunding of Series 2002B with proceeds escrowed and paying interest costs until April 1, 2012, when the debt will be called and retired. As indicated above, Series 2001A and 2002A were called and retired during FY11 using proceeds from Series 2010. In other financial action, the Village continues to use the Home Rule Sales Tax of .75% for infrastructure and capital purposes. Those funds, together with existing dedicated revenues, strengthen the Village preference of a "pay as you go" philosophy in financing capital projects. The capital improvement program for street and infrastructure improvements is managed from five capital project funds (Motor Fuel Tax, Street Improvement, Park Fund, Water & Sewer Improvement and Construction, and Village Construction). With the exception of bonds issued for the financing of the Wastewater Treatment Plant (2005) and Public Works Facility (2002), the Village has been able to follow the "pay as you go" financing policy for the past decade. Debt service for the 2010 bonds is being financed via the use of sales tax revenues. Water & Sewer expansion has been significantly financed by developer construction as well as tap-on fees and annexation agreements.

Cash Management

Cash temporarily idle during the year was invested in certificates of deposit, the Illinois Metropolitan Investment Fund (IMET) and the Illinois State Treasurer's pool (Illinois Funds). The maturities of the investments range from being immediately accessible (Illinois Funds and IMET Convenience Fund), 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, 2011, were 8.6% reflecting continued recovery from the 2008 turmoil.

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, 2011, in funding 53.6% of the actuarial accrued liabilities. The actuarial valuation as stated in this report for FY2011, determined that the net contribution due from the Village is \$987,225. The remaining unfunded amount is being systematically funded over 22 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, 2010. This was the seventh 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.

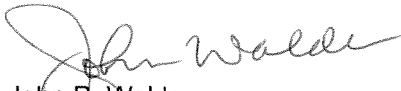
The Village also received the GFOA's Award for Distinguished Budget Presentation for its 2011 budget document. This was the seventh year the Village has received this prestigious award. In order to receive this award, a government must publish a budget document that meets program criteria as a policy 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 2011 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.

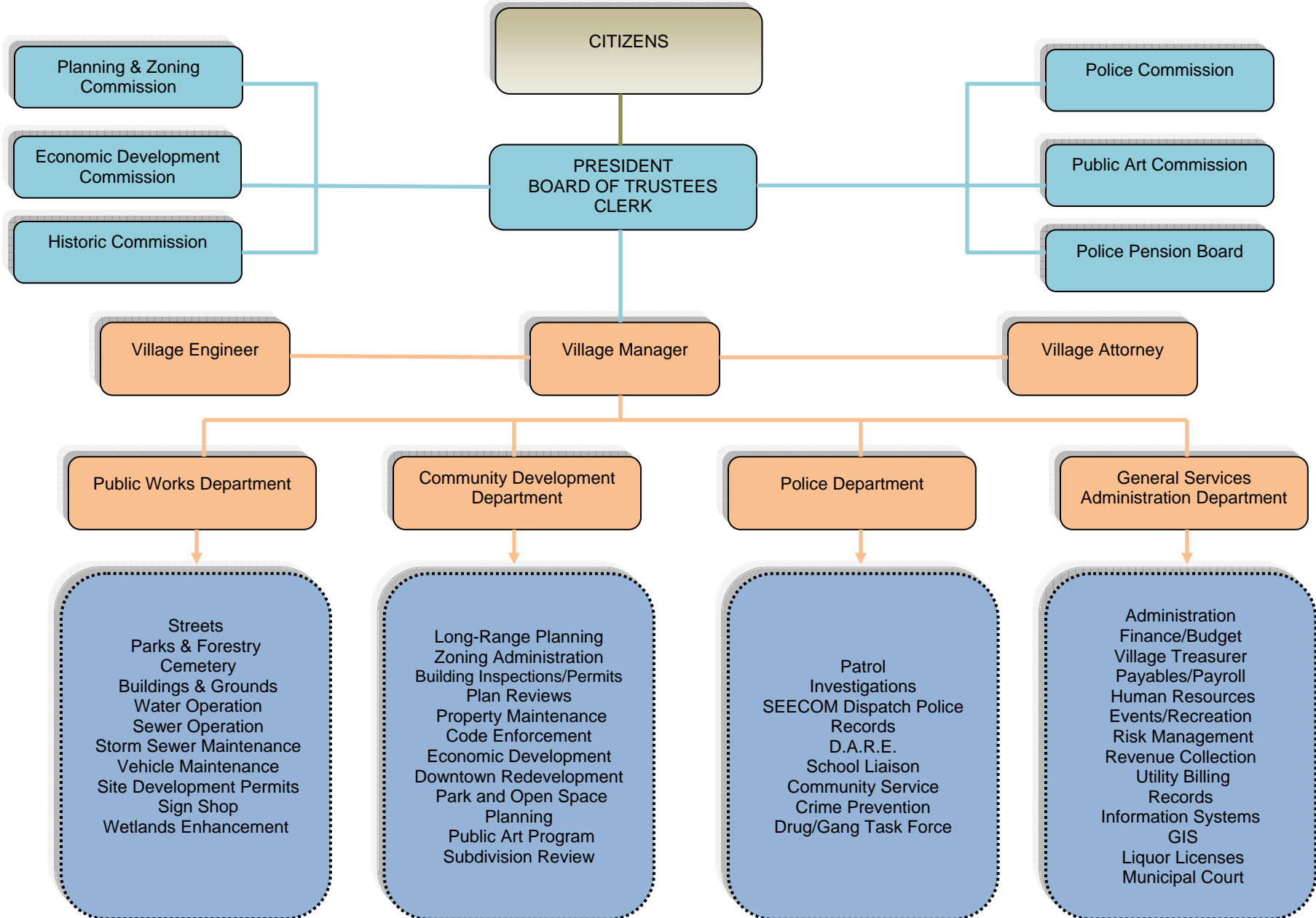
Respectfully submitted,



John R. Walde
Finance Director



VILLAGE OF ALGONQUIN 2011-2012 ORGANIZATION 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, 2010

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.



President

Executive Director

INDEPENDENT AUDITOR'S REPORT



Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Algonquin, Illinois, as of and for the year ended April 30, 2011, 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, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

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

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

McGladrey & Pullen, LLP

Schaumburg, Illinois
September 22, 2011

**Village of Algonquin, Illinois
Management's Discussion and Analysis
April 30, 2011**

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

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

Financial Highlights

- The Village's net assets decreased by \$.4 million (or .1%) from FY10 to \$260.5 million.
- The governmental activities net assets increased by \$.6 million (or .3%) from FY10 to \$191.6 million.
- The business type activities net assets decreased by \$1.0 million (or 1.4%) from FY10 to \$68.9 million.
- The total revenues of all governmental activity programs decreased by \$.5 million and expenses decreased \$3.0 million from FY10.
- The total revenues of business-type activity programs remained unchanged and expenses decreased \$7.7 million from FY10.
- The total cost of all Village programs decreased by \$10.8 million (or 26.1%).
- The Village's general fund balance increased by \$1.2 million from FY10.
- The Village's general fund actual revenues were over budget by \$.1 million and actual expenditures were under the budgeted amounts by \$1.2 million.
- The Village's capital assets decreased by \$4.9 million from \$254.57 in FY10.

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL REPORT

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

Government-Wide Financial Statements

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

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

**Village of Algonquin, Illinois
Management's Discussion and Analysis
April 30, 2011**

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

Fund Financial Statements

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

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

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

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

Infrastructure Assets

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

GOVERNMENT-WIDE STATEMENTS

Statement of Net Assets

The Village's combined net assets decreased by \$.4 million from FY10 – decreasing from \$260.9 million to \$260.5 million. The following analysis will look at net assets and net expenses of the governmental and business-type activities separately. The total net assets for the governmental activities increased \$.6 million from \$191.0 million to \$191.6 million. The business-type activities net assets decreased by \$1.0

Village of Algonquin, Illinois
Management's Discussion and Analysis
April 30, 2011

million from \$69.9 million to \$68.9 million. Table 1 reflects the condensed Statement of Net Assets compared to FY10. Table 2 will focus on the changes in net assets of the governmental and business-type activities. A detailed analysis of the changes can be found in the section for Current Year Impacts on page 6.

Table 1
Statement of Net Assets
As of April 30, 2011 and 2010
(in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 27.9	\$ 25.8	\$ 8.6	\$ 6.6	\$ 36.5	\$ 32.4
Capital assets	179.6	181.1	70.0	73.5	249.6	254.6
Total assets	207.5	206.9	78.6	80.1	286.1	287.0
Long-term liabilities	5.2	8.2	8.8	9.1	14.0	17.3
Other liabilities	10.7	7.7	0.9	1.1	11.6	8.8
Total liabilities	15.9	15.9	9.7	10.2	25.6	26.1
Net Assets:						
Invested in capital assets, net of debt	175.5	176.6	60.8	63.9	236.3	240.5
Restricted	7.5	7.4	0.8	1.0	8.3	8.4
Unrestricted	8.6	7.0	7.3	5.0	15.9	12.0
Total net assets	\$ 191.6	\$ 191.0	\$ 68.9	\$ 69.9	\$ 260.5	\$ 260.9

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

Normal Impacts

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

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

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

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

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

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

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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 million decrease of combined net assets (which is the Village's bottom line) was the result of the governmental activities net assets increasing by \$.6 million and the business-type activities decreasing by \$1.0 million.

The governmental activities total assets increased by \$.6 million and the governmental activities total liabilities remained the same as in FY10. The total assets increase of \$.6 million was a result of an increase of \$2.1 million in current and other assets which was offset by a decrease of \$1.5 million in capital assets. The decrease in capital assets of \$1.5 million was due mainly to a decrease of \$2.3 million in streets, storm and bridge improvements, \$.5 million in vehicles and equipment, \$.3 million in buildings and \$.3 million in other improvements due mainly to normal depreciation expense. This was offset by an increase of \$1.6 million in construction in progress, and \$.3 million in land.

There was no change in governmental activities total liabilities of \$15.9 million. There was a decrease of \$3.0 million in long-term liabilities which was offset by an increase of \$3.0 in current liabilities. This change was due to the general obligation bonds payable increasing by \$3.0 million for the current year due to Bond Series 2002B being reclassified to current since it will be called in April 2012.

The net assets of the business-type activities decreased by \$1.0 million from \$69.9 to \$68.9 million. Total assets of the business-type activities decreased by \$1.5 million from \$80.1 to \$78.6 million. The total assets decrease of \$1.5 million was a result of a decrease in capital assets of \$3.5 million and offset by an increase in current assets of \$2.0 million. The capital asset decrease of \$3.5 million in the business-type activities occurred mainly as a result of decreases in capital assets relating to water and sewer improvements of \$3.0 million, \$.4 million in buildings, and \$.1 million in vehicles and equipment. The overall decrease was due mainly to capital assets depreciation. The increase in current assets of \$2.0 million was mainly due to an increase in cash and investments. The cash reserves have increased due to the Village's implementation of a water and sewer rate increase which would allow for building a larger cash reserve. As indicated previously, there was a concerted effort village-wide to decrease expenses by 5% during FY11. There was also a reduction in vehicle and equipment purchases of \$.5 million in FY11 compared to FY10.

Total liabilities of the business-type activities decreased by \$.5 million from \$10.2 million to \$9.7 million. Accounts payable decreased \$.2 million from FY10 due to the slowdown of capital projects. The long-term liabilities decreased by \$.3 million due to the decrease of G.O. Bonds Payable for the wastewater treatment plant expansion.

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Changes in Net Assets

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

Table 2
Changes in Net Assets
For the Fiscal Years Ended April 30, 2011 and 2010
(in millions)

Revenue	Governmental Activities		Business-Type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Program Revenues						
Charges for Service	\$ 1.7	\$ 2.0	\$ 5.4	\$ 5.2	\$ 7.1	\$ 7.2
Operating Grants/Contributions	1.2	0.9	0.1	-	1.3	0.9
Capital Grants/Contributions	0.4	1.5	-	-	0.4	1.5
General Revenue						
Property	5.9	5.9	-	-	5.9	5.9
Other taxes	13.1	12.5	2.1	2.3	15.2	14.8
Other	0.2	0.2	-	0.1	0.2	0.3
Total Revenue	22.5	23.0	7.6	7.6	30.1	30.6
Expenses						
Governmental Activities						
General Government	4.6	4.5	-	-	4.6	4.5
Public Safety	8.1	7.9	-	-	8.1	7.9
Public Works	8.9	12.1	-	-	8.9	12.1
Interest	0.3	0.4	-	-	0.3	0.4
Business Type						
Water and Sewer	-	-	8.6	16.3	8.6	16.3
Total Expenses	21.9	24.9	8.6	16.3	30.5	41.2
Change in Net Assets	0.6	(1.9)	(1.0)	(8.7)	(0.4)	(10.6)
Net assets - beginning	191.0	192.9	69.9	78.6	260.9	271.5
Net assets - ending	\$ 191.6	\$ 191.0	\$ 68.9	\$ 69.9	\$ 260.5	\$ 260.9

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

Normal Impacts

Revenues:

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

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

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

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

Expenses:

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

Increase in Authorized Personnel – changes in service demand may cause the Village Board to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent 62.2% of the Village's operating costs.

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

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

Governmental Activities

Revenue:

Total revenues for Governmental Activities decreased \$.5 million from \$23.0 million to \$22.5 million. A decrease of \$1.1 million in capital grants/contributions, and \$.3 million in charges for services, attributed to the decrease in total revenues. These decreases were offset with an increase of \$.6 million in other taxes and \$.3 million in operating grants/contributions. The \$1.1 million decrease in capital grants/contributions was due to the slowdown in development which decreased developer donations of capital assets. The numbers of capital grants available has decreased in the last few years due to economic downturns. The \$.3 million decrease in charges for services was for public safety due to a decrease in court/police fines and a reduction in traffic light enforcement citations. The increase of \$.6 million in other taxes was due mainly to increases of \$.3 million in home rule sales tax and \$.2 million in sales tax revenues.

The Village has a diversified revenue structure and depends on several key revenue sources to help pay for the services provided. The Village's general fund property tax collections of \$5.9 million remained unchanged from FY10 to FY11. The Village attempts to maintain its property tax rate and capture new revenues from growth. Due to recent downturns in the housing market and an increase in foreclosures, the Village's EAV decreased by approximately 7% from FY10 to FY11. The Village's property tax rate was .484 in 2009 and .523 in 2010.

In the general fund, state shared income and use tax revenues declined 2.2% from FY10 to FY11 due to the deterioration of the state's economy and higher unemployment figures. Sales tax increased 2.4%.

General fund building permits remained consistent with FY10 numbers due to the continued soft economy and lack of development.

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Capital contributions decreased by \$1.1 million from \$1.5 million to \$.4 million. This was due to a decrease in grant and developer donations during FY11, again reflecting the softening of the economy.

Expenses:

The Village's governmental activities total expenses decreased \$3.0 million for FY11.

The Village's General Government function expenses remained virtually unchanged from FY10 at \$4.6 million.

Public Safety expenses increased \$.2 million from \$7.9 million to \$8.1 million. The Village had a \$.1 million increase in personnel costs, and a \$.1 million increase in other charges.

Public Works expenses decreased \$3.2 million from \$12.1 million to \$8.9 million. During FY10 there was a \$2.4 million dollar loss on disposal of capital assets due to a land adjustment; no adjustments were recorded in FY11. There was a \$.9 million decrease in capital asset additions due to a decrease in the number of active projects in the Street Improvement Fund.

Business-type Activities

Revenue:

Total revenues for Business-type Activities remained unchanged at \$7.6 million. Charges for services increased by \$.2 million of which connection fees increased \$.1 million and water and sewer revenues increased \$.1 million due to scheduled rate increases. Operating grants/contributions increased slightly by \$.1 million and other taxes decreased \$.1 million due to a decrease in home rule sales tax. Other revenues decreased \$.1 million.

Expenses:

The Village's Business-type Activities total expenses decreased \$7.7 million from \$16.3 million to \$8.6 million. There was an increase for loss on disposal of capital assets of \$7.2 million due to an adjustment to land records during FY10. There were no adjustments in FY11 which brought expenses back to levels in FY09 (prior to the FY10 land adjustments).

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Governmental Funds

At April 30, 2011, the governmental funds (as presented on the balance sheet on page 18) reported a combined fund balance of \$20.3 million or an increase of 9.1% from \$18.6 million at the beginning of the year. Of the total fund balance, \$7.69 million is unreserved indicating availability for continuing Village services. The net increase in the Fund Balance of Governmental Funds was due to an increase of \$2.0 million in total assets and an increase of \$.3 million in total liabilities.

The increase of \$2.0 million in total assets consisted of a \$1.6 million increase in cash and equivalents, a \$.4 million increase in investments, and a \$.1 million increase in due from other funds. These increases were offset by a \$.1 decrease in other taxes. There was a \$.3 million increase in total liabilities due to a \$.2 million increase in accounts payable, and a \$.1 million increase in due to other funds.

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General Fund Budgetary Highlights

Below is a table that reflects the budget and the actual revenues and expenditures for the General Fund. More information can be found on the schedule of revenues, expenditures and changes in fund balance – budget and actual on page 54. Actual spending was \$1.1 million less than the budget which was due to actual expenses less than budget of \$.5 million in general government, \$.4 million in public safety, and \$.3 million in public works.

Due to the uncertainty with the economy, and the state's discussions relating to decreasing municipal income tax payments, management challenged departments to decrease their budgeted expenditures by 5% during FY11. This resulted in savings in the various general fund departments.

The \$.5 million savings in general government expenses was due to savings in administration personnel of \$.2 million. This savings resulted from changes in administration personnel and recreation due to cuts in programming personnel costs. Contractual services had savings of \$.1 million due to decreases in expenses relating to the municipal court program and various other services. There was a \$.2 million saving in various other charges.

The \$.4 million savings in public safety expenses was due mainly to personnel savings of \$.2 million. This savings resulted from a decrease in the overtime expenses. Contractual services had savings of \$.1 million due to decreases in the Village's portion of its 911 dispatch service contract. The remaining \$.1 of savings was spread across various public safety expense accounts.

The \$.3 million savings in public works expenses was due to savings in personnel within public works administration, streets, and park departments. The \$.2 million salary decrease was due to personnel leaving and not being replaced, or not being replaced immediately. Contractual services had savings of \$.1 million across the various departments.

Table 3
General Fund Budgetary Highlights
(in millions)

General Fund	Original Budget	Amended Budget	Actual
Revenues			
Taxes	\$ 15.380	\$ 15.380	\$ 15.983
Intergovernmental	0.160	0.164	0.288
Other	2.090	2.112	1.507
Total	\$ 17.630	\$ 17.656	\$ 17.778
Expenditures and Transfers			
Expenditures	\$ 16.995	\$ 17.027	\$ 15.836
Transfers	0.634	0.634	0.724
Total	17.629	17.661	16.560
Change in Fund Balance	\$ 0.001	\$ (0.005)	\$ 1.218

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Capital Assets

At the end of fiscal year 2011, the Village had a combined total of capital assets of \$249.67 million invested in a broad range of capital assets including land, buildings, vehicles, streets, bridges, storm sewers, water mains and sanitary sewer lines. (See Table 4 below.) This amount represents a net decrease (including additions and deletions) of \$4.9 million.

Major capital asset events during the current fiscal year included the following:

- Reconstruction (CIP) of Hanson Road, Phase 2 for \$104,755
- Reconstruction (CIP) of Edgewood Drive for \$222,385
- Reconstruction (CIP) of Algonquin Hills, Phase 4 for \$1,412,225
- Completion of grading/landscaping for Wastewater Treatment Plant for \$111,220

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Land	\$ 94.05	\$ 93.67	\$ 3.64	\$ 3.64	\$ 97.69	\$ 97.31
Construction in Progress	2.89	1.30	0.41	0.41	3.30	1.71
Buildings	12.18	12.50	14.04	14.38	26.22	26.88
Vehicles and Equipment	1.46	1.98	0.14	0.25	1.60	2.23
Improvements other than Building	8.37	8.69	-	-	8.37	8.69
Streets/Storm Sewers/ Bridges	60.69	62.98	-	-	60.69	62.98
Water and Sewer	-	-	51.80	54.77	51.80	54.77
Total	\$ 179.64	\$ 181.12	\$ 70.03	\$ 73.45	\$ 249.67	\$ 254.57

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

Table 5
Change in Capital Assets
(in millions)

	Governmental	Business-Type	Total
	Activities	Activities	
Beginning Balance	\$ 181.12	\$ 73.45	\$ 254.57
Additions			
Depreciable	0.36	0.13	0.49
Non-Depreciation	0.38		0.38
Construction in Progress	1.93	0.04	1.97
Retirements			
Depreciable	(0.03)	(0.05)	(0.08)
Non-Depreciation	-	-	-
Construction in Progress	(0.34)	(0.04)	(0.38)
Depreciation	(3.80)	(3.55)	(7.35)
Retirement	0.02	0.05	0.07
Ending Balance	\$ 179.64	\$ 70.03	\$ 249.67

The Governmental Activities net decrease of \$1.5 million in net Capital Assets was due mainly to a net decrease noted in streets and storm sewers (\$2.3 million); buildings (\$.3 million); and vehicles/equipment (\$.5 million); and other improvements (\$.3 million). This was offset with an increase in construction in progress (\$1.5 million); and land (\$.4 million). Except for the addition of \$.4 million in other improvements, the decreases were due to normal depreciation expense. Construction in progress increased due to the fact that there were various on-going projects that were not completed at fiscal year end. Land increased due to a donation of land parcels to the village.

The Business-type Activities net decrease of \$3.5 million in net Capital Assets was due mainly to a net decrease noted in buildings (\$.3 million); vehicles and equipment (\$.1 million); and water and sewer improvements (\$3.0 million). The decreases were due to normal depreciation expense.

Debt Outstanding

Since the mid 1990's, the Village of Algonquin has followed a financial policy of preferring a "pay-as-you-go" philosophy to funding capital projects. Exceptions to this philosophy had been bonds issued to pay for the construction of the Village Hall in 1995-1996 and the Public Works Facility in 2002-2003. In December 2005, the Village authorized Bond Series 2005A in the amount of \$9,000,000 to partially finance the expansion of Phase 6 of the Wastewater Treatment Plant. Bond Series 2005B was issued in the amount of \$2,935,000 to refund Series 2002B in 2012. The Village has established the following five funds to accumulate monies over time to systematically construct and/or replace major assets: Motor Fuel Tax, Street Improvement, Parks, Water and Sewer Improvement and Extension, and the Village Expansion Fund. The current Home Rule Sales Tax of .75% was allocated as an additional revenue source for capital and infrastructure such as the expansion of the Wastewater Treatment Plant which assists in the "pay as you go" philosophy. Beginning in FY11, 40% of the Home Rule Sales Tax was allocated to the Street Improvement Fund with 60% allocated to the Water and Sewer Improvement and Extension for infrastructure improvements and assistance with debt service.

The Village currently has four general obligation bond series including 2002B which will be called on April 1, 2012. A total of \$17.30 million of general obligation bonds were outstanding at April 30, 2011. In FY11, the Village refunded bond series 2001A and 2002A with bond series 2010. Two of the current bond series were issued to refund previous issues.

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

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

Economic Factors

The Village will continue to rely on sales tax and property taxes until the state economy improves and the state is able to operate a balanced budget without impairing local governments. The property tax rate has increased due to the decrease in the Village's EAV. The village did experience the loss of some retail stores during the fiscal year; however, several have been replaced with new tenants opening during FY12. The financial condition of the State government has continued to have a negative effect on the Village of Algonquin during the past few years. State shared revenues (state income tax and use tax) had been reduced from 2000 levels on a per-capita basis until FY05. State shared allocations then increased approximately 36% during the next three years, but began to soften in FY09. Since FY09, state distributions to local government have been late and distributions were three months in arrears at FY11. Despite the uncertainty, the FY11 state income tax and use tax increased by 5.2% from FY10 primarily due to an increase in the per capita of 5%. Current estimates indicate that the 2012 per-capita allocations will continue at the FY11 level.

Construction in the local housing market is very slow as indicated by declining permits for commercial and residential construction. The Village's growth in sales tax revenues, EAV, and property tax receipts was consistent in the past decade until the state and local economies began to slow in FY09. Sales tax revenues increased during FY11 by \$.2 million while property assessments flattened. The tax receipts remained unchanged from FY10.

The Village's population decreased to 30,046 with the 2010 Census (down from 30,482 reported in the 2007 Special Census). The Village has been able to budget for stable tax receipts due to the status of a Home Rule Community.

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, 2011

	Governmental Activities	Business-Type Activities	Total
Assets			
Current			
Cash and cash equivalents	\$ 9,520,618	\$ 4,127,469	\$ 13,648,087
Investments	8,749,044	2,254,000	11,003,044
Receivables			
Property taxes	5,639,463	-	5,639,463
Other taxes	2,915,608	-	2,915,608
Intergovernmental	62,912	-	62,912
Accounts	-	1,284,405	1,284,405
Accrued interest	27,832	10,933	38,765
Other	648,253	-	648,253
Inventory	110,292	-	110,292
Prepaid items	91,103	27,248	118,351
Restricted assets - investments	-	817,000	817,000
Total current assets	27,765,125	8,521,055	36,286,180
Noncurrent			
Net pension asset	23,123	-	23,123
Deferred charges	110,840	62,914	173,754
Capital assets (net of accumulated depreciation)			
Land	94,054,567	3,644,048	97,698,615
Construction in progress	2,887,958	407,255	3,295,213
Water and sewer system	-	51,805,514	51,805,514
Buildings	12,181,482	14,035,663	26,217,145
Improvements other than buildings	8,369,788	-	8,369,788
Vehicles and equipment	1,459,981	138,846	1,598,827
Streets/storm sewers/bridges	60,687,924	-	60,687,924
Total capital assets (net)	179,641,700	70,031,326	249,673,026
Total noncurrent assets	179,775,663	70,094,240	249,869,903
Total assets	\$ 207,540,788	\$ 78,615,295	\$ 286,156,083

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Net Assets - Continued
April 30, 2011

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current			
Accounts payable	\$ 854,183	\$ 296,555	\$ 1,150,738
Accrued interest	14,651	30,005	44,656
Unearned revenue - property tax	5,639,463	-	5,639,463
Unearned revenue - other	172,950	-	172,950
Other liabilities	1,714	-	1,714
Compensated absences payable	728,772	109,593	838,365
General obligation bonds payable	3,276,752	455,000	3,731,752
Total current liabilities	10,688,485	891,153	11,579,638
Noncurrent			
Net other post-employment benefit obligation	82,382	-	82,382
Compensated absences payable	346,765	56,485	403,250
General obligation bonds payable, net	4,792,895	8,739,256	13,532,151
Total noncurrent liabilities	5,222,042	8,795,741	14,017,783
Total liabilities	15,910,527	9,686,894	25,597,421
Net Assets			
Invested in capital assets, net of related debt	175,520,012	60,837,070	236,357,082
Restricted for			
Donor programs	804,186	-	804,186
Cemetery purposes	252,174	-	252,174
Grant programs	1,637,786	-	1,637,786
Debt service	3,550,824	817,000	4,367,824
Other	1,258,471	-	1,258,471
Unrestricted	8,606,808	7,274,331	15,881,139
Total net assets	\$ 191,630,261	\$ 68,928,401	\$ 260,558,662

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Activities
Year Ended April 30, 2011

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 4,538,951	\$ 718,779	\$ 105,710	\$ 400
Public safety	8,086,707	977,767	48,386	-
Public works	8,930,380	14,989	1,037,732	368,595
Debt service - interest and fees	344,884	-	-	-
Total governmental activities	21,900,922	1,711,535	1,191,828	368,995
Business-type activities				
Waterworks and sewerage	8,578,470	5,450,665	54,112	-
Total	\$ 30,479,392	\$ 7,162,200	\$ 1,245,940	\$ 368,995

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

Change in net assets

Net assets - beginning

Net assets - ending

See Notes to Financial Statements.

Net (Expense), Revenue and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (3,714,062)	\$ -	\$ (3,714,062)
(7,060,554)	-	(7,060,554)
(7,509,064)	-	(7,509,064)
(344,884)	-	(344,884)
<u>(18,628,564)</u>	<u>-</u>	<u>(18,628,564)</u>
-	(3,073,693)	(3,073,693)
<u>(18,628,564)</u>	<u>(3,073,693)</u>	<u>(21,702,257)</u>
5,960,733	-	5,960,733
61,906	-	61,906
1,427,268	2,140,901	3,568,169
1,015,552	-	1,015,552
682,015	-	682,015
58,177	-	58,177
6,602,998	-	6,602,998
2,817,443	-	2,817,443
387,236	-	387,236
192,446	30,000	222,446
13,767	-	13,767
<u>19,219,541</u>	<u>2,170,901</u>	<u>21,390,442</u>
590,977	(902,792)	(311,815)
<u>191,039,284</u>	<u>69,831,193</u>	<u>260,870,477</u>
<u>\$ 191,630,261</u>	<u>\$ 68,928,401</u>	<u>\$ 260,558,662</u>

Village of Algonquin, Illinois

Balance Sheet - Governmental Funds

April 30, 2011

	General Fund	Street Improvement Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 4,522,451	\$ 2,448,848	\$ 127,507	\$ 2,399,900	\$ 9,498,706
Investments	3,672,000	550,000	3,412,044	1,115,000	8,749,044
Receivables					
Property taxes	5,639,463	-	-	-	5,639,463
Other taxes	2,751,389	164,219	-	-	2,915,608
Intergovernmental	-	-	-	62,912	62,912
Accrued interest	11,856	1,950	11,273	2,753	27,832
Other	284,865	323,627	-	11,466	619,958
Due from other funds	330,200	-	-	38,305	368,505
Prepaid items	89,850	-	-	1,253	91,103
Total assets	<u>\$ 17,302,074</u>	<u>\$ 3,488,644</u>	<u>\$ 3,550,824</u>	<u>\$ 3,631,589</u>	<u>\$ 27,973,131</u>
Liabilities					
Accounts payable	\$ 300,900	\$ 453,160	\$ -	\$ 27,788	\$ 781,848
Deferred revenues - property tax	5,639,463	-	-	-	5,639,463
Deferred revenues - other	658,900	110,000	-	73,050	841,950
Due to other funds	-	38,305	-	330,200	368,505
Other liabilities	1,714	-	-	-	1,714
Total liabilities	<u>6,600,977</u>	<u>601,465</u>	<u>-</u>	<u>431,038</u>	<u>7,633,480</u>
Fund Balances					
Reserved for					
Prepaid items	89,850	-	-	1,253	91,103
Donor program	-	-	-	804,186	804,186
Cemetery acquisition and perpetual care	-	-	-	252,174	252,174
Grant programs	-	-	-	1,637,786	1,637,786
Debt service	-	-	3,550,824	-	3,550,824
Other	997,879	260,592	-	-	1,258,471
Unreserved - designated	631,745	-	-	-	631,745
Unreserved					
General fund	8,981,623	-	-	-	8,981,623
Special revenue funds	-	2,626,587	-	374,832	3,001,419
Capital projects funds	-	-	-	130,320	130,320
Total fund balances	<u>10,701,097</u>	<u>2,887,179</u>	<u>3,550,824</u>	<u>3,200,551</u>	<u>20,339,651</u>
Total liabilities and fund balances	<u>\$ 17,302,074</u>	<u>\$ 3,488,644</u>	<u>\$ 3,550,824</u>	<u>\$ 3,631,589</u>	<u>\$ 27,973,131</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, 2011

Total fund balances-governmental funds	\$ 20,339,651
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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.	179,641,700
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Revenues in the Statement of Activities that do not provide current financial resources are deferred in the funds.	669,000
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An internal service fund is used by management to charge vehicle maintenance costs to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the Statement of Net Assets.	88,164
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Some liabilities reported in the Statement of Net Assets do not
require the use of current financial resources and, therefore, are
not reported as liabilities in governmental funds. These liabilities
consist of:

Accrued interest	(14,651)
Net other post-employment benefit obligation	(82,382)
Compensated absences	(1,075,537)
Unamortized bond premium	(24,276)
Unamortized bond discount	36,381
Unamortized bond issuance costs	110,840
Net pension asset	23,123
General obligation bonds payable	<u>(8,081,752)</u>

Net assets of governmental activities	<u>\$ 191,630,261</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, 2011

	General Fund	Street Improvement Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Charges for services	\$ 169,229	\$ -	\$ -	\$ 132,090	\$ 301,319
Licenses and permits	358,788	-	-	-	358,788
Intergovernmental, grants and contributions	287,492	35,294	-	954,399	1,277,185
Fines, fees and forfeitures	907,896	-	-	-	907,896
Property taxes	5,960,733	-	-	-	5,960,733
Other taxes	10,022,727	2,930,691	-	101,933	13,055,351
Interest	45,889	9,960	121,703	14,894	192,446
Miscellaneous	25,049	-	-	33,515	58,564
Total revenues	17,777,803	2,975,945	121,703	1,236,831	22,112,282
Expenditures					
Current					
General government	3,669,881	-	-	439,164	4,109,045
Public safety	7,980,376	-	-	-	7,980,376
Public works	4,148,942	974,127	-	941,275	6,064,344
Debt service					
Principal	-	-	500,000	-	500,000
Interest fees and fiscal charges	-	-	187,454	-	187,454
Debt issuance costs	-	-	39,054	-	39,054
Capital outlay	36,377	1,475,678	-	-	1,512,055
Total expenditures	15,835,576	2,449,805	726,508	1,380,439	20,392,328
Excess (deficiency) of revenues over expenditures	1,942,227	526,140	(604,805)	(143,608)	1,719,954
Other financing sources (uses)					
Debt issuance	-	-	2,425,000	-	2,425,000
Premium on issuance	-	-	30,345	-	30,345
Transfer to escrow agent	-	-	(2,444,498)	-	(2,444,498)
Transfers in	45,000	-	671,652	135,703	852,355
Transfers out	(769,050)	(38,305)	-	(45,000)	(852,355)
Total other financing sources (uses)	(724,050)	(38,305)	682,499	90,703	10,847
Net change in fund balances	1,218,177	487,835	77,694	(52,905)	1,730,801
Fund balances - beginning	9,482,920	2,399,344	3,473,130	3,253,456	18,608,850
Fund balances - ending	\$ 10,701,097	\$ 2,887,179	\$ 3,550,824	\$ 3,200,551	\$ 20,339,651

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, 2011**

Net change in fund balances-total governmental funds	\$ 1,730,801
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Amounts reported for governmental activities in the Statement of
Activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the lives of the assets. This is the amount by which depreciation exceeded capital outlay in the current period. (\$1,956,751 current additions less \$3,807,838 depreciation.)

	(1,851,087)
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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	(2,756)
Contributions of capital assets	382,373

Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets.

Debt issuance	(2,425,000)
Debt premium	(30,345)
Debt issuance costs	39,054
Payment of principal on bonds	500,000
Transfer to escrow agent	2,444,498

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

Increase in net pension asset	271
Increase in net other post-employment benefit obligation	(23,479)
Increase in compensated absences	(5,874)
Loss on disposal of capital assets	(10,048)
Decrease in accrued interest	5,467
Interest accreted on capital appreciation debt	(136,708)
Amortization of bond premium, bond discount and issuance costs	(26,190)

Change in net assets of governmental activities	<u>\$ 590,977</u>
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See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Net Assets - Proprietary Funds

April 30, 2011

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service Funds
Assets		
Current		
Cash and cash equivalents	\$ 4,127,469	\$ 21,912
Investments	2,254,000	-
Receivables		
Accounts	1,284,405	28,295
Interest	10,933	-
Prepaid items	27,248	-
Inventory	-	110,292
Restricted assets - investments	817,000	-
Total current assets	8,521,055	160,499
Deferred charges	62,914	-
Capital assets (net of accumulated depreciation)		
Land	3,644,048	-
Construction in progress	407,255	-
Water and sewer system	51,805,514	-
Buildings	14,035,663	-
Machinery and equipment	138,846	-
Total noncurrent assets	70,094,240	-
Total assets	\$ 78,615,295	\$ 160,499

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Net Assets - Proprietary Funds - Continued
 April 30, 2011

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service Funds
Liabilities		
Current		
Accounts payable	\$ 296,555	\$ 72,335
Accrued interest	30,005	-
Compensated absences payable	109,593	-
General obligation bonds payable	455,000	-
Total current liabilities	<u>891,153</u>	<u>72,335</u>
Noncurrent		
Compensated absences payable	56,485	-
General obligation bonds payable, net	8,739,256	-
Total noncurrent liabilities	<u>8,795,741</u>	<u>-</u>
Total liabilities	<u>9,686,894</u>	<u>72,335</u>
Net Assets		
Invested in capital assets, net of related debt	60,837,070	-
Restricted for debt service	817,000	-
Unrestricted	7,274,331	88,164
Total net assets	<u>\$ 68,928,401</u>	<u>\$ 88,164</u>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds
Year Ended April 30, 2011

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service Funds
Operating revenues		
Charges for services		
Water and sewer revenue	\$ 5,077,861	\$ -
Meter sales	8,075	-
Connection fees	152,938	-
Administration fee	79,985	-
Maintenance billings	-	1,732,069
Miscellaneous	131,806	247
Total operating revenues	5,450,665	1,732,316
Operating expenses excluding depreciation	4,632,384	1,732,316
Operating income before depreciation	818,281	-
Depreciation	3,557,350	-
Operating loss	(2,739,069)	-
Nonoperating revenues (expenses)		
Home rule sales tax	2,140,901	-
Contributions - developers	54,112	-
Interest income	30,000	-
Interest expense and fiscal agent fees	(379,258)	-
Loss on disposal of capital assets	(9,478)	-
Total nonoperating revenues (expenses)	1,836,277	-
Change in net assets	(902,792)	-
Net assets - beginning	69,831,193	88,164
Net assets - ending	\$ 68,928,401	\$ 88,164

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Cash Flows – Proprietary Funds
Year Ended April 30, 2011

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service Funds
<hr/>		
Cash flows from operating activities		
Cash received from customers	\$ 5,364,783	\$ -
Cash paid to suppliers	(2,585,511)	(1,029,776)
Cash paid to employees	(2,232,949)	(694,114)
Cash received for interfund services provided	-	1,713,853
Net cash provided by (used for) operating activities	<u>546,323</u>	<u>(10,037)</u>
Cash flows from noncapital financing activities		
Home rule sales tax received	2,159,554	-
Developer contributions	54,112	-
Net cash flows provided by noncapital financing activities	<u>2,213,666</u>	<u>-</u>
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(143,693)	-
Interest paid on bonds	(356,152)	-
Principal paid on general obligation bond maturities	(1,095,000)	-
Proceeds from issuance of general obligation bonds	630,000	-
Net cash flows (used for) capital and related financing activities	<u>(964,845)</u>	<u>-</u>
Cash flows from investing activities		
Purchase of investments (certificates of deposit)	(4,194,000)	-
Sale of investments (certificates of deposit)	3,798,000	-
Interest on investments	26,918	-
Net cash flows (used for) investing activities	<u>(369,082)</u>	<u>-</u>
Net increase (decrease) in cash and equivalents	1,426,062	(10,037)
Cash and equivalents - beginning	<u>2,701,407</u>	<u>31,949</u>
Cash and equivalents - ending	<u>\$ 4,127,469</u>	<u>\$ 21,912</u>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Cash Flows – Proprietary Funds - Continued
Year Ended April 30, 2011

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage Fund	Internal Service Funds
<hr/>		
Reconciliation of operating loss to net cash provided by (used for) operating activities		
Operating loss	\$ (2,739,069)	\$ -
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities		
Depreciation	3,557,350	-
Changes in assets and liabilities		
Accounts receivable	(85,882)	(18,463)
Prepaid items	(5,062)	-
Inventory	-	(1,564)
Accounts payable	(184,961)	9,990
Compensated absences payable	3,947	-
Total adjustments	<u>3,285,392</u>	<u>(10,037)</u>
Net cash provided by (used for) operating activities	<u>\$ 546,323</u>	<u>\$ (10,037)</u>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Fiduciary Net Assets
April 30, 2011

	Pension Trust Fund	Agency Fund
Assets		
Cash and cash equivalents	\$ 144,443	\$ 578,502
Investments		
U.S. government securities	4,357,063	-
U.S. agency securities	1,567,433	-
Mutual funds	5,456,884	-
Illinois Funds	32,558	-
Money market funds	810,518	-
Corporate debt securities	531,737	-
Interest receivable	56,522	-
	<hr/>	<hr/>
Total assets	12,957,158	578,502
Liabilities		
Deposits	-	578,502
	<hr/>	<hr/>
Net Assets		
Held in trust for pension benefits	<u>\$ 12,957,158</u>	<u>\$ -</u>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Statement of Changes in Fiduciary Net Assets - Pension Trust Fund
Year Ended April 30, 2011

Additions	
Contributions	
Employer	\$ 916,349
Employee	411,126
	<u>1,327,475</u>
Investment income (expense)	
Net appreciation in fair value of investments	857,634
Interest income	190,651
Less investment expenses	(65,576)
	<u>982,709</u>
Total additions	<u>2,310,184</u>
Deductions	
Administration	7,593
Pension benefits and refunds	220,451
Total deductions	<u>228,044</u>
Change in net assets	2,082,140
Net assets - beginning	<u>10,875,018</u>
Net assets - ending	<u>\$ 12,957,158</u>

See Notes to Financial Statements.

Village of Algonquin, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

(a) Reporting Entity

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

(b) Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

Village of Algonquin, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

Fund Financial Statements: Separate financial statements are provided for governmental funds, proprietary funds and fiduciary (agency) funds, even though the latter are excluded from the government-wide financial statements. The fund financial statements provide information about the Village's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The Village has the following major governmental funds- General Fund, Street Improvement 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.

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

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 two internal service funds:

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

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

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

Village of Algonquin, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

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

(d) Cash and Cash Equivalents

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

(e) Investments

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

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

Village of Algonquin, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

(f) Property Taxes

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

Property taxes are billed, collected and remitted periodically by the County Treasurers of Kane and McHenry County, Illinois. A reduction for collection losses, based on historical collection experience, has been provided to reduce the taxes receivable to the estimated amount to be collected. That portion of the property taxes receivable which is not expected to be collected within sixty (60) days after year end is not considered to pay current liabilities and is, therefore, shown as deferred revenue. Since the 2010 property tax levy is levied to finance the operations of the fiscal year beginning May 1, 2011, the 2010 property tax levy is deferred (unearned) as of year-end.

(g) Inventory and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items/expenses. Amounts are recorded as expenditures/expenses using the consumption method.

(h) Interfund Receivables/Payables

The Village has the following types of transactions between funds:

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

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

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

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

Village of Algonquin, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

(i) Capital Assets

Capital assets which include land, buildings, building improvements, vehicles & equipment, infrastructure, which includes streets, storm sewers, bridges, and the water & sewer system, improvements other than buildings, and intangibles, which include internally generated software, easements and intangibles other than easements, 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 ranging from \$25,000 to \$250,000, depending on asset type, 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	3 - 10
Water and sewer system	20 - 40
Improvements other than buildings	5 - 50
Other equipment and other intangibles*	4 - 20*

*Items to be amortized over the contractual period to which they relate

(j) Compensated Absences

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

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

Village of Algonquin, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

(k) Deferred Revenue

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

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

(l) Long-term Obligations

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

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

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

(m) Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally segregated for a specific purpose. Designated fund balances represent tentative plans for future use of financial resources. As of April 30, 2011, the General Fund has designated \$614,243 for capital equipment replacement and \$17,502 for other programs. In proprietary funds, certain amounts are restricted under bond ordinance provisions pertaining to general obligation debt recorded in the Waterworks and Sewerage Fund.

(n) Accounting Estimates

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

Village of Algonquin, Illinois

Notes to Financial Statements

Note 2. Stewardship, Compliance and Accountability

Budgetary Information

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

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

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

All funds adopt an annual budget and 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 (other than defeasements) are budgeted.

Note 3. Deposits and Investments

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. It is the policy of the Village to require that funds on deposit in excess of FDIC limits be secured by some form of collateral. The amount of collateral provided will not be less than 110% of the fair market value of the net amount of public funds secured. Pledged collateral will be held in safekeeping by an independent third party depository designated by the Village and evidenced by a safekeeping agreement. As of April 30, 2011, 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, 2011, the Village had the following investments and maturities.

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	6 - 10	Greater than 10
U.S. Government Securities	\$ 7,223,107	\$ -	\$ 5,997,020	\$ 378,436	\$ 847,652
U.S. Agency Securities	1,567,433	764,175	803,258	-	-
Corporate Debt Securities	531,737	-	531,737	-	-
Money Market Funds*	810,518	810,518	-	-	-
Illinois Metropolitan Investment Fund	3,564,830	-	3,564,830	-	-
Illinois Funds*	6,915,430	6,915,430	-	-	-
Total investments	\$ 20,613,055	\$ 8,490,123	\$ 10,896,845	\$ 378,436	\$ 847,652

* 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, 2011, the Village's investments were rated as follows:

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

Village of Algonquin, Illinois

Notes to Financial Statements

Note 3. Deposits and Investments (Continued)

Custodial Credit Risk

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

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

Concentration of Credit Risk

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

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

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

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

The Village was not exposed to concentration of credit risk as of April 30, 2011.

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 Funds' share price, which is the price the investment could be sold for.

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

Village of Algonquin, Illinois

Notes to Financial Statements

Note 4. Capital Assets

(a) Governmental Activities

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

	Balance May 1	Additions	Deletions	Balance April 30
Government activities:				
Capital assets not being depreciated:				
Land	\$ 93,672,194	\$ 382,373	\$ -	\$ 94,054,567
Construction in progress	1,297,981	1,933,762	343,785	2,887,958
Total capital assets not being depreciated	<u>94,970,175</u>	<u>2,316,135</u>	<u>343,785</u>	<u>96,942,525</u>
Capital assets being depreciated:				
Buildings	15,976,573	-	-	15,976,573
Improvements other than buildings	13,017,823	366,774	-	13,384,597
Vehicles and equipment	6,578,746	-	30,144	6,548,602
Streets/storm sewers/bridges	92,819,812	-	-	92,819,812
	<u>128,392,954</u>	<u>366,774</u>	<u>30,144</u>	<u>128,729,584</u>
Less accumulated depreciation for:				
Buildings	3,476,083	319,008	-	3,795,091
Improvements other than buildings	4,332,315	682,494	-	5,014,809
Vehicles and equipment	4,594,779	513,938	20,096	5,088,621
Streets/storm sewers/bridges	29,839,490	2,292,398	-	32,131,888
	<u>42,242,667</u>	<u>3,807,838</u>	<u>20,096</u>	<u>46,030,409</u>
Total capital assets being depreciated, net	<u>86,150,287</u>	<u>(3,441,064)</u>	<u>10,048</u>	<u>82,699,175</u>
Governmental activities capital assets, net	<u>\$ 181,120,462</u>	<u>\$ (1,124,929)</u>	<u>\$ 353,833</u>	<u>\$ 179,641,700</u>

Village of Algonquin, Illinois

Notes to Financial Statements

Note 4. Capital Assets (Continued)

(b) Business-Type Activities

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

	Balance May 1	Additions	Deletions	Balance April 30
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 3,644,048	\$ -	\$ -	\$ 3,644,048
Construction in progress	408,453	36,119	37,317	407,255
Total capital assets not being depreciated	<u>4,052,501</u>	<u>36,119</u>	<u>37,317</u>	<u>4,051,303</u>
Capital assets being depreciated:				
Water and sewer system	88,770,991	135,413	-	88,906,404
Buildings	17,403,306	-	-	17,403,306
Machinery and equipment	1,321,174	-	51,622	1,269,552
	<u>107,495,471</u>	<u>135,413</u>	<u>51,622</u>	<u>107,579,262</u>
Less accumulated depreciation for:				
Water and sewer system	33,998,735	3,102,155	-	37,100,890
Buildings	3,019,577	348,066	-	3,367,643
Machinery and equipment	1,075,199	107,129	51,622	1,130,706
	<u>38,093,511</u>	<u>3,557,350</u>	<u>51,622</u>	<u>41,599,239</u>
Total capital assets being depreciated, net	<u>69,401,960</u>	<u>(3,421,937)</u>	<u>-</u>	<u>65,980,023</u>
Business-type activities capital assets, net	<u>\$ 73,454,461</u>	<u>\$ (3,385,818)</u>	<u>\$ 37,317</u>	<u>\$ 70,031,326</u>

Village of Algonquin, Illinois

Notes to Financial Statements

Note 4. Capital Assets (Continued)

(c) Depreciation Charged to Functions/Activities

Depreciation was charged to functions/activities as follows:

	Governmental Activities	Business-Type Activities
General government	\$ 394,552	\$ -
Public safety	64,776	-
Public works	3,348,510	-
Water and sewer	-	3,557,350
	<u>\$ 3,807,838</u>	<u>\$ 3,557,350</u>

Note 5. Long-Term Obligations

The following is a summary of long-term obligation activity associated with governmental activities for the year ended April 30, 2011:

	Balance May 1, 2010	Additions	Retirements	Balance April 30, 2011	Due Within One Year
Compensated Absences Payable	\$ 1,069,663	\$ 1,340,923	\$ 1,335,049	\$ 1,075,537	\$ 728,772
General Obligation Bonds Payable*	8,365,044	2,561,708	2,845,000	8,081,752	3,276,752
	<u>\$ 9,434,707</u>	<u>\$ 3,902,631</u>	<u>\$ 4,180,049</u>	<u>\$ 9,157,289</u>	<u>\$ 4,005,524</u>

* Amount reported in the statement of net assets for governmental activities is net of an unamortized discount and an unamortized premium of \$36,381 and \$24,276, respectively. Additions include \$136,708 of accretion on the capital appreciation bonds.

The following is a summary of long-term obligation activity associated with business-type activities for the year ended April 30, 2011:

	Balance May 1, 2010	Additions	Retirements	Balance April 30, 2011	Due Within One Year
Compensated Absences Payable	\$ 162,131	\$ 236,725	\$ 232,778	\$ 166,078	\$ 109,593
General Obligation Bonds Payable **	9,685,000	630,000	1,095,000	9,220,000	455,000
	<u>\$ 9,847,131</u>	<u>\$ 866,725</u>	<u>\$ 1,327,778</u>	<u>\$ 9,386,078</u>	<u>\$ 564,593</u>

** Amount reported in the statement of net assets for business-type activities is net of an unamortized discount, an unamortized premium and deferred amount on refunding of \$36,292, \$26,486 and \$15,938, respectively.

Village of Algonquin, Illinois

Notes to Financial Statements

Note 5. Long-Term Obligations (Continued)

The following is a summary of debt transactions of the Village for the year ended April 30, 2011:

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

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

Description	Fund Debt Retired By	Balances May 1	Additions	Retirements	Balances April 30
Governmental Activities:					
General Obligation Bonds -					
General Obligation Refunding Series 2002A \$3,090,000 Alternate Revenue Source Bonds due in annual installments of \$15,000 to \$650,000; interest at 4.0% to 4.6%, through April 1, 2015	Debt Service	\$ 2,845,000	\$ -	\$ 2,845,000	\$ -
General Obligation Capital Appreciation Bonds Series 2002B \$1,708,794 Initial Aggregate Principal Series 2002, due in annual installments beginning April 1, 2016 through April 1, 2021 ranging from \$675,000 to \$760,000 plus interest at 5.1% to 5.4%	Debt Service	2,585,044	136,708	*	2,721,752
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, 2012	Debt Service	2,935,000	-	-	2,935,000
General Obligation Refunding Series 2010 \$2,425,000 Initial Aggregate Principal due in annual installments of \$555,000 to \$660,000; interest at 2.0% to 3.0% through April 1, 2015	Debt Service	-	2,425,000	-	2,425,000
Total General Obligation Bonds - Governmental Activities		\$ 8,365,044	\$ 2,561,708	\$ 2,845,000	\$ 8,081,752

* Principal accretion on capital appreciation bonds

Village of Algonquin, Illinois

Notes to Financial Statements

Note 5. Long-Term Obligations (Continued)

Description	Fund Debt Retired By	Balances May 1	Additions	Retirements	Balances April 30
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	\$ 770,000	\$ -	\$ 770,000	\$ -
General Obligation Sewer Series 2005A					
\$9,000,000 Bonds due in annual installments of \$25,000 to \$875,000 interest at 3.5% to 4.15%, through April 1, 2025					
	Waterworks and Sewerage	8,915,000	-	50,000	8,865,000
General Obligation Refunding Series 2010					
\$650,000 Initial Aggregate Principal due in annual installments of \$275,000 to \$355,000; interest at 2.0% through April 1, 2012					
	Waterworks and Sewerage	-	630,000	275,000	355,000
Total General Obligation Bonds - Business type Activities		\$ 9,685,000	\$ 630,000	\$ 1,095,000	\$ 9,220,000

As of April 30, 2011, debt service requirements to maturity on the outstanding general obligation bonds, including interest, are as follows:

Year April 30	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2012	\$ 3,276,752	\$ 319,747	\$ 3,596,499	\$ 455,000	\$ 360,060	\$ 815,060
2013	590,000	164,706	754,706	500,000	349,160	849,160
2014	620,000	149,956	769,956	525,000	329,660	854,660
2015	660,000	134,456	794,456	550,000	309,186	859,186
2016	535,000	114,656	649,656	575,000	287,736	862,736
2017-2021	2,400,000	242,128	2,642,128	3,315,000	1,080,306	4,395,306
2022-2025	-	-	-	3,300,000	345,986	3,645,986
Total	\$ 8,081,752	\$ 1,125,649	\$ 9,207,401	\$ 9,220,000	\$ 3,062,094	\$ 12,282,094

Village of Algonquin, Illinois

Notes to Financial Statements

Note 5. Long-Term Obligations (Continued)

Refunding Transactions

In June 2010, the Village issued \$3,055,000 of General Obligation Refunding Bonds Series 2010. The net proceeds of the Series 2010 bonds were placed in an escrow account and were invested in government securities, with principal and interest maturities that approximate the future debt service payments of the Series 2001A and Series 2002A bonds.

In connection with this transaction, the remaining 2001A and 2002A bonds were retired. The refunding resulted in net savings in cash flows of approximately \$92,000 (net present value of savings is not significantly different).

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 primarily in United States Treasury notes, 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 6. Interfund Balances and Transfers

Individual interfund balances and transfers for the Village at April 30, 2011 are shown as follows:

Receivable Fund	Payable Fund	Detail	Due From/To Other Funds
General	Nonmajor Governmental	Short-term loan	\$ 285,200
General	Nonmajor Governmental	Budget transfer	45,000
Nonmajor Governmental	Street Improvement Fund	Expense reimbursement	38,305
Total			<u>\$ 368,505</u>

Transfer In Fund	Transfer Out Fund	Detail	Transfers From/To Other Funds
Debt Service Fund	General	Debt service	\$ 671,652
Nonmajor Governmental	General	Subsidy	97,398
General	Nonmajor Governmental	Budget transfer	45,000
Nonmajor Governmental	Street Improvement Fund	Expense reimbursement	38,305
Total			<u>\$ 852,355</u>

Note 7. Other Information

(a) Risk Management

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

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 7. Other Information (Continued)

(b) Joint Venture

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

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

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

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

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

The Village reports its activities in SEECOM as a governmental joint venture. In accordance with the joint venture agreement, the Village remitted \$569,394 to SEECOM during fiscal year 2011.

Village of Algonquin, Illinois

Notes to Financial Statements

Note 8. Employee Retirement Systems and Plans

(a) Illinois Municipal Retirement

Plan Description

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

Funding Policy

As set by statute, employer regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2010 was 10.28 percent of annual covered payroll. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost

The Village's annual pension cost of \$657,588 for the regular plan was equal to the Village's required and actual contributions.

For Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset (Obligation)
2011	\$ 657,588	100 %	\$ -
2010	600,735	100	-
2009	563,034	100	-

The required contribution for 2010 was determined as part of the December 31, 2008 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008 included (a) 7.50 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the Village's regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Village's regular plan's unfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Village of Algonquin, Illinois

Notes to Financial Statements

Note 8. Employee Retirement Systems and Plans (Continued)

(a) Illinois Municipal Retirement (Continued)

Funded Status and Funding Progress

As of December 31, 2010, the most recent actuarial valuation date, the regular plan was 76.46 percent funded. The actuarial liability for benefits was \$12,282,617 and the actuarial value of assets was \$9,391,075, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,891,542. The covered payroll (annual payroll of active employees covered by the plan) was \$6,396,770 and the ratio of the UAAL to the covered payroll was 45 percent.

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

(b) Police Pension

Defined Benefit Pension Plan for Public Safety Employees

The information included in this section pertaining to the Village's Police Pension Fund, is based on the actuarial valuation performed on April 30, 2011. The actuarial valuation was performed to determine the Village's required contribution and annual pension cost for that plan for its fiscal year ended April 30, 2011.

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, 2011, the Police Pension Plan membership consisted of:

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

Village of Algonquin, Illinois

Notes to Financial Statements

Note 8. Employee Retirement Systems and Plans (Continued)

(b) Police Pension (Continued)

Plan Description (Continued)

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

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

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

Funding Policy

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

Annual Pension Cost and Net Pension Asset

At April 30, 2011, the Village's annual pension cost was \$916,078. The Village's actual contribution was \$916,349. For a description of the significant actuarial assumptions, see "Significant Actuarial Assumptions."

The net pension asset at April 30, 2011, was \$23,123. It was comprised of the following:

Net pension obligation:	
Annual required contribution	\$ 916,506
Interest on net pension obligation	(1,600)
Adjustment to annual required contribution	1,172
	<hr/>
Annual pension cost	916,078
Contributions made	916,349
	<hr/>
Increase in net pension asset	271
Net pension asset at beginning of year	22,852
	<hr/>
Net pension asset at end of year	<u>\$ 23,123</u>

The net pension asset of \$23,123 is reported by the Village in the government-wide Statement of Net Assets.

Village of Algonquin, Illinois

Notes to Financial Statements

Note 8. Employee Retirement Systems and Plans (Continued)

(b) Police Pension (Continued)

Plan Description (Continued)

Three-Year Trend Information for the Police Pension

For Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset (Obligation)
2011	\$ 916,078	100.1 %	\$ 23,123
2010	768,139	99.9	22,852
2009	676,334	100.1	23,459

Reserves and Concentration of Investments

There are no assets legally reserved for purposes other than the payment of plan member benefits. There are no long-term contracts for contributions. As of April 30, 2011, the following investments (other than those issued or guaranteed by the U.S. government) exceed 5% or more of net assets available for benefits:

Issuer	Fair Value	Percentage of Net Assets
Federal Home Loan Mortgage Corporation	\$ 907,822	7.12%

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

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

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

Significant Actuarial Assumptions

The annual required contribution for the year ended April 30, 2011 was determined as part of the April 30, 2011 actuarial valuation report using the entry age normal cost method. The actuarial assumptions included (a) 7.0% investment rate of return, (b) projected salary increases of 5.5%, (c) 3.0% per year cost of living adjustments. Both (a) and (b) included an inflation component of 3.0%. The actuarial value of police pension assets was determined using market values. The Police Pension Plan's unfunded actuarial liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at April 30, 2011 was 22 years.

Village of Algonquin, Illinois

Notes to Financial Statements

Note 8. Employee Retirement Systems and Plans (Continued)

(b) Police Pension (Continued)

Funded Status and Funding Progress – Pension Trust Fund

The funded status of the Police Pension Plan as of April 30, 2011, the most recent actuarial valuation date, is as follows:

(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)–(1) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll	UAAL as a Percentage of Covered Payroll ((2-1)/3)
\$ 12,957,159	\$ 24,194,380	\$ 11,237,221	53.55 %	\$ 4,008,376	280.34 %

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

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

Note 9. Other Post-Employment Benefits (OPEB)

Plan Description.

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

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

Funding Policy

The contribution requirements for plan members and the Village are established and may be amended by the Village Board and are detailed in the “Plan Document and Summary Plan Description.” The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2011, the Village contributed \$25,440 to the plan, representing a portion of current premiums (approximately 47 percent of total premiums). Plan members receiving benefits contributed \$28,734, or approximately 53 percent of the total premiums, through their required contribution of \$364.85 per month for retiree-only coverage, \$775.34 for retiree and dependent coverage and \$1,199.51 for family coverage.

Village of Algonquin, Illinois

Notes to Financial Statements

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

Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution (ARC)	\$ 47,937
Interest on net OPEB obligation	2,945
Adjustment to annual required contribution	<u>(1,963)</u>
Annual OPEB cost	48,919
Contribution made	<u>25,440</u>
Increase in net OPEB obligation	23,479
Net OPEB obligation beginning of year	<u>58,903</u>
Net OPEB obligation end of year	<u><u>\$ 82,382</u></u>

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

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
4/30/2011	\$ 48,919	52.0%	\$ 82,382
4/30/2010	47,937	19.3%	58,903
4/30/2009	45,654	55.7%	20,214

Funded Status and Funding Progress

As of April 30, 2011 actuarial valuation (most recent available), the plan was 100% unfunded. The actuarial accrued liability for benefits was \$979,390, and the actuarial value of assets was \$0 (zero), resulting in an unfunded actuarial accrued liability (UAAL) of \$979,390. The covered payroll (annual payroll of active employees covered by the plan) was \$10,302,008, and the ratio of the UAAL to the covered payroll was 9.51 percent.

Village of Algonquin, Illinois

Notes to Financial Statements

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

Annual OPEB Cost and Net OPEB Obligation (Continued)

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

Actuarial Methods and Assumptions

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

In the April 30, 2011 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 5.0 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 8 percent initially and 6% ultimately. This rate included a 3.0 percent inflation assumption. The actuarial value of assets was determined using market value. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at April 30, 2011, was 29 years.

Note 10. New Governmental Accounting Standards

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

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

Statement No. 59, *Financial Instrument Omnibus*, will be effective for the Village with its year ending April 30, 2012. This statement updates and improves existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice.

Village of Algonquin, Illinois

Notes to Financial Statements

Note 10. New Governmental Accounting Standards (Continued)

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, will be effective for the Village beginning with its year ending April 30, 2013. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

1. Financial Accounting Standards Board (FASB) Statements and Interpretations
2. Accounting Principles Board Opinions
3. Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure

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

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

Village of Algonquin, Illinois

Required Supplementary Information
 Schedule of Revenues, Expenditures, and Changes in Fund Balance –
 Budget and Actual – General Fund
 Year Ended April 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Charges for services	\$ 276,000	\$ 276,000	\$ 169,229	\$ (106,771)
Licenses and permits	550,000	550,000	358,788	(191,212)
Intergovernmental, grants and contributions	160,000	164,431	287,492	123,061
Fines, fees and forfeitures	1,216,900	1,217,150	907,896	(309,254)
Property taxes	5,951,000	5,951,000	5,960,733	9,733
Other taxes	9,429,000	9,429,000	10,022,727	593,727
Interest	36,100	36,100	45,889	9,789
Miscellaneous	11,000	32,289	25,049	(7,240)
Total revenues	17,630,000	17,655,970	17,777,803	121,833
Expenditures				
Current				
General government	4,213,085	4,201,905	3,669,881	532,024
Public safety	8,332,765	8,338,289	7,980,376	357,913
Public works	4,449,970	4,455,397	4,148,942	306,455
Capital outlay	-	31,377	36,377	(5,000)
Total expenditures	16,995,820	17,026,968	15,835,576	1,191,392
Excess of revenues over expenditures	634,180	629,002	1,942,227	1,313,225
Other financing sources (uses)				
Transfers in	45,000	45,000	45,000	-
Transfers out	(679,180)	(679,180)	(769,050)	(89,870)
Total other financing sources (uses)	(634,180)	(634,180)	(724,050)	(89,870)
Net change in fund balance	\$ -	\$ (5,178)	1,218,177	\$ 1,223,355
Fund balance - beginning			9,482,920	
Fund balance - ending			\$ 10,701,097	

See Note to Required Supplementary Information.

Village of Algonquin, Illinois

Required Supplementary Information
 Schedule of Revenues, Expenditures and Changes in
 Fund Balance - Budget and Actual - Street Improvement Fund
 Year Ended April 30, 2011

	Original Budget	Final Budget	Actual	Over (Under)
Revenues				
Contributions	\$ -	\$ -	\$ 35,294	\$ 35,294
Other taxes				
Home rule sales tax	1,250,000	1,250,000	1,417,268	167,268
Utility taxes	955,000	955,000	1,015,552	60,552
Telecommunication taxes	535,000	535,000	497,871	(37,129)
Interest	18,000	18,000	9,960	(8,040)
Total revenues	2,758,000	2,758,000	2,975,945	217,945
Expenditures				
Current				
Public works				
Contractual services				
Legal services	8,000	5,000	263	4,737
Engineering services	830,000	828,000	699,786	128,214
Infrastructure maintenance	125,180	358,320	274,078	84,242
Capital outlay				
Capital improvements	2,868,000	2,947,400	1,475,678	1,471,722
Total expenditures	3,831,180	4,138,720	2,449,805	1,688,915
Excess (deficiency) of revenues over expenditures	(1,073,180)	(1,380,720)	526,140	1,906,860
Other financing uses				
Transfers out	-	-	(38,305)	(38,305)
Net change in fund balance	\$ (1,073,180)	\$ (1,380,720)	487,835	\$ 1,868,555
Fund balance - beginning			2,399,344	
Fund balance - ending			<u>\$ 2,887,179</u>	

See Note to Required Supplementary Information.

Village of Algonquin, Illinois

Pension Benefits
 Required Supplementary Information
 Analysis of Funding Progress

April 30, 2011

Illinois Municipal Retirement Fund

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)-(1) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll	UAAL as a Percentage of Covered Payroll ((2-1)/3)
12/31/2010	\$ 9,391,075	\$ 12,282,617	\$ 2,891,542	76.46 %	\$ 6,396,770	45.20 %
12/31/2009	8,633,022	11,359,422	2,726,400	76.00	6,404,433	42.57
12/31/2008	7,874,381	10,034,268	2,159,887	78.47	6,093,439	35.45
12/31/2007	7,581,534	8,590,433	1,008,899	88.26	5,595,732	18.03
12/31/2006	6,738,166	7,561,324	823,158	89.11	5,181,803	15.89
12/31/2005	6,125,526	6,851,267	725,741	89.41	5,087,300	14.27

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)
05/01/2011	\$ 12,957,159	\$ 24,194,380	\$ 11,237,221	53.55 %	\$ 4,008,376	280.34 %
05/01/2010	10,875,019	21,820,186	10,945,167	49.84	3,865,273	283.17
05/01/2009	8,910,341	19,682,936	10,772,595	45.27	3,799,289	283.54
05/01/2008	8,968,447	17,500,170	8,531,723	51.25	3,529,291	241.74
05/01/2007	8,086,877	15,528,795	7,441,918	52.08	3,213,288	231.60
05/01/2006	6,846,477	11,202,717	4,356,240	61.11	3,029,643	143.79

Village of Algonquin, Illinois

**Required Supplementary Information
Employer Contributions**

April 30, 2011

Illinois Municipal Retirement Fund

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed	
12/31/2010	\$ 657,588	100	%
12/31/2009	600,735	100	
12/31/2008	563,034	100	
12/31/2007	517,605	100	
12/31/2006	480,353	100	
12/31/2005	456,331	100	

Police Pension Fund

Fiscal Year End Date	Annual Required Contribution	Percentage Contributed	
04/30/2011	\$ 916,506	100	%
04/30/2010	768,620	100	
04/30/2009	676,838	100	
04/30/2008	444,960	100	
04/30/2007	489,474	100	
04/30/2006	489,474	86	

Village of Algonquin, Illinois

**Other Post-Employment Benefits
Required Supplementary Information
Year Ended April 30, 2011**

Analysis of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percentage of Annual Covered Payroll ((b - a) / c)
4/30/2011	\$ -	\$ 979,390	\$ 979,390	\$ -	\$ 10,302,008	9.51 %
4/30/2010	-	1,102,147	1,102,147	-	10,032,140	10.99
4/30/2009	-	1,102,147	1,102,147	-	10,032,140	10.99
4/30/2008	-	1,102,147	1,102,147	-	10,032,140	10.99

Employer Contributions

Fiscal Year Ending	Annual Required Contribution	Percentage Contributed
4/30/2011	\$ 48,919	52.0 %
4/30/2010	47,937	19.3
4/30/2009	45,654	55.7

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

Village of Algonquin, Illinois

Notes to Required Supplementary Information

Note 1. Budgetary Basis of Accounting

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

Note 2. Other Post-Employment Benefits

The Village adopted the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pension*, during FY2009. The most recent actuarial valuation was as of April 30, 2011.

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

GENERAL FUND

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

Village of Algonquin, Illinois

General Fund

**Schedule of Revenues - Budget and Actual
Year Ended April 30, 2011**

	Original Budget	Final Budget	Actual
Charges for services			
Building and zoning	\$ 6,000	\$ 6,000	\$ 3,260
Platting fees	10,000	10,000	4,446
Police training reimbursement	10,000	10,000	-
Snow plowing fees	7,000	7,000	-
Park usage fees	10,000	10,000	8,660
Recreation programs	210,000	210,000	96,086
Site development fee	1,000	1,000	300
Public art impact fee	1,000	1,000	548
Rental income	15,000	15,000	51,769
Historical commission	1,000	1,000	370
Senior bus	-	-	41
Subdivision signs	5,000	5,000	3,749
Total charges for services	276,000	276,000	169,229
Licenses and permits			
Liquor licenses	110,000	110,000	112,681
Building permits	400,000	400,000	219,709
Miscellaneous licenses	40,000	40,000	26,398
Total licenses and permits	550,000	550,000	358,788
Intergovernmental, grants and contributions			
Intergovernmental agreements	80,000	84,431	98,735
Grants - operating, public safety, general	50,000	50,000	47,556
Contributions	30,000	30,000	141,201
Total intergovernmental, grants and contributions	160,000	164,431	287,492
Fines, fees and forfeitures			
County court and drug fines	342,500	342,500	285,487
County prosecution fines	4,000	4,000	4,291
Police fines	40,000	40,000	14,829
Restitution - Court Cases	1,000	1,250	3,665
Police accident reports	4,400	4,400	3,617
Reports, maps and ordinances	2,000	2,000	4,553
Building permit fines	10,000	10,000	5,124

(Continued)

Village of Algonquin, Illinois

General Fund

Schedule of Revenues - Budget and Actual (Continued)
Year Ended April 30, 2011

	Original Budget	Final Budget	Actual
Fines, fees and forfeitures (Continued)			
Towing and Storage	\$ 50,000	\$ 50,000	\$ 68,930
Traffic light enforcement	695,000	695,000	433,364
Municipal fines	65,000	65,000	82,299
Maintenance fee	3,000	3,000	1,697
Administrative fees	-	-	40
Total fines, fees and forfeitures	<u>1,216,900</u>	<u>1,217,150</u>	<u>907,896</u>
Property taxes			
General	1,325,000	1,325,000	1,324,064
Road and bridge	350,000	350,000	363,691
Social security	675,000	675,000	674,525
Insurance	655,000	655,000	654,536
IMRF	450,000	450,000	449,684
School crossing	19,000	19,000	18,983
Police protection	1,550,000	1,550,000	1,548,906
ESDA	10,000	10,000	9,995
Police pension	917,000	917,000	916,349
Total property taxes	<u>5,951,000</u>	<u>5,951,000</u>	<u>5,960,733</u>
Other taxes			
Personal property replacement tax	54,000	54,000	61,906
Cable TV fees	360,000	360,000	387,236
Telecommunication tax	200,000	200,000	184,144
State income tax	2,730,000	2,730,000	2,811,443
Sales tax	6,085,000	6,085,000	6,577,998
Total other taxes	<u>9,429,000</u>	<u>9,429,000</u>	<u>10,022,727</u>
Interest	<u>36,100</u>	<u>36,100</u>	<u>45,889</u>
Miscellaneous			
Other	<u>11,000</u>	<u>32,289</u>	<u>25,049</u>
Total revenues	<u>\$ 17,630,000</u>	<u>\$ 17,655,970</u>	<u>\$ 17,777,803</u>

Village of Algonquin, Illinois

General Fund

Schedule of Expenditures - Budget and Actual
Year Ended April 30, 2011

	Original Budget	Final Budget	Actual
Current			
General government			
Administration			
Personnel	\$ 1,512,585	\$ 1,512,585	\$ 1,362,161
Commodities	185,495	171,315	147,822
Contractual services	1,000,445	1,003,445	803,345
Other charges	224,670	224,670	140,755
Total administration	2,923,195	2,912,015	2,454,083
Community development			
Personnel	1,107,690	1,107,690	1,063,180
Commodities	24,100	24,100	16,983
Contractual services	141,485	141,485	129,876
Other charges	16,615	16,615	5,759
Total community development	1,289,890	1,289,890	1,215,798
Total general government	4,213,085	4,201,905	3,669,881
Public safety			
Police department			
Personnel	5,916,655	5,857,783	5,631,873
Commodities	145,255	211,592	194,435
Contractual services	1,300,005	1,298,064	1,198,051
Other charges	970,850	970,850	956,017
Total public safety	8,332,765	8,338,289	7,980,376
Public works			
Public works administration			
Personnel	546,185	546,185	501,443
Commodities	16,250	16,850	16,570
Contractual services	64,245	63,696	46,609
Other charges	12,450	12,450	9,819
Total public works administration	639,130	639,181	574,441

(Continued)

Village of Algonquin, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)
Year Ended April 30, 2011

	Original Budget	Final Budget	Actual
Public works (Continued)			
Streets department			
Personnel	\$ 1,244,435	\$ 1,241,835	\$ 1,208,954
Commodities	101,520	106,520	106,248
Contractual services	878,330	881,056	793,737
Other charges	9,130	9,130	7,603
Total streets	<u>2,233,415</u>	<u>2,238,541</u>	<u>2,116,542</u>
Parks			
Personnel	1,127,295	1,127,295	1,096,232
Commodities	110,910	110,910	78,334
Contractual services	328,770	329,020	275,430
Other charges	10,450	10,450	7,963
Total parks	<u>1,577,425</u>	<u>1,577,675</u>	<u>1,457,959</u>
Total public works	<u>4,449,970</u>	<u>4,455,397</u>	<u>4,148,942</u>
Capital outlay			
Public safety	-	20,197	20,197
Public works	-	-	5,000
Non-departmental	-	11,180	11,180
Total capital outlay	<u>-</u>	<u>31,377</u>	<u>36,377</u>
Total expenditures	<u>\$ 16,995,820</u>	<u>\$ 17,026,968</u>	<u>\$ 15,835,576</u>

NONMAJOR GOVERNMENTAL FUNDS – COMBINING STATEMENTS

Village of Algonquin, Illinois

**Nonmajor Governmental Funds
Combining Balance Sheet
April 30, 2011**

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	\$ 2,314,822	\$ 85,078	\$ 2,399,900
Investments	1,070,000	45,000	1,115,000
Receivables			
Intergovernmental	62,912	-	62,912
Accrued interest	2,511	242	2,753
Other	11,466	-	11,466
Due from other funds	38,305	-	38,305
Prepaid items	1,253	-	1,253
	<hr/>		
Total assets	<u>\$ 3,501,269</u>	<u>\$ 130,320</u>	<u>\$ 3,631,589</u>
Liabilities			
Accounts payable	\$ 27,788	\$ -	\$ 27,788
Deferred revenue - other	73,050	-	73,050
Due to other funds	330,200	-	330,200
	<hr/>		
Total liabilities	<u>431,038</u>	<u>-</u>	<u>431,038</u>
Fund Balances			
Reserved for			
Prepaid items	1,253	-	1,253
Donor program	804,186	-	804,186
Cemetery acquisition and perpetual care	252,174	-	252,174
Grant programs	1,637,786	-	1,637,786
Unreserved	374,832	130,320	505,152
	<hr/>		
Total fund balances	<u>3,070,231</u>	<u>130,320</u>	<u>3,200,551</u>
	<hr/>		
Total liabilities and fund balances	<u>\$ 3,501,269</u>	<u>\$ 130,320</u>	<u>\$ 3,631,589</u>

Village of Algonquin, Illinois

**Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Year Ended April 30, 2011**

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
Revenues			
Charges for services	\$ 132,090	\$ -	\$ 132,090
Intergovernmental, grants and contributions	953,999	400	954,399
Other taxes	101,933	-	101,933
Interest	14,118	776	14,894
Miscellaneous	33,515	-	33,515
Total revenues	1,235,655	1,176	1,236,831
Expenditures			
Current			
General government	439,164	-	439,164
Public works	941,275	-	941,275
Total expenditures	1,380,439	-	1,380,439
Excess (deficiency) of revenues over expenditures	(144,784)	1,176	(143,608)
Other financing sources (uses)			
Transfers in	135,703	-	135,703
Transfers out	(45,000)	-	(45,000)
Total other financing sources (uses)	90,703	-	90,703
Net change in fund balances	(54,081)	1,176	(52,905)
Fund balances - beginning	3,124,312	129,144	3,253,456
Fund balances - ending	\$ 3,070,231	\$ 130,320	\$ 3,200,551

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

Special Revenue Fund – to account for:

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

Village of Algonquin, Illinois

Nonmajor Special Revenue Funds

Combining Balance Sheet

April 30, 2011

	Motor Fuel Tax	Public Swimming Pool	Parks	Cemetery
Assets				
Cash and cash equivalents	\$ 1,247,886	\$ 16,006	\$ 372,349	\$ 113,267
Investments	-	-	-	150,000
Receivables				
Intergovernmental	62,912	-	-	-
Accrued interest	-	-	-	353
Other	-	-	-	-
Due from other funds	38,305	-	-	-
Prepaid items	-	1,058	-	195
Total assets	<u>\$ 1,349,103</u>	<u>\$ 17,064</u>	<u>\$ 372,349</u>	<u>\$ 263,815</u>
Liabilities				
Accounts payable	\$ 10,369	\$ 253	\$ 13,166	\$ 4,000
Deferred revenue - other	-	-	-	-
Due to other funds	-	-	285,200	-
Total liabilities	<u>10,369</u>	<u>253</u>	<u>298,366</u>	<u>4,000</u>
Fund Balances				
Reserved for				
Prepaid items	-	1,058	-	195
Donor program	-	-	68,030	-
Cemetery acquisition and perpetual care	-	-	-	252,174
Grant programs	1,338,734	-	-	-
Unreserved	-	15,753	5,953	7,446
Total fund balances	<u>1,338,734</u>	<u>16,811</u>	<u>73,983</u>	<u>259,815</u>
Total liabilities and fund balances	<u>\$ 1,349,103</u>	<u>\$ 17,064</u>	<u>\$ 372,349</u>	<u>\$ 263,815</u>

Special Revenue	Totals
\$ 565,314	\$ 2,314,822
920,000	1,070,000
-	62,912
2,158	2,511
11,466	11,466
-	38,305
-	1,253
<u>\$ 1,498,938</u>	<u>\$ 3,501,269</u>

\$ -	\$ 27,788
73,050	73,050
45,000	330,200
<u>118,050</u>	<u>431,038</u>

-	1,253
736,156	804,186
-	252,174
299,052	1,637,786
345,680	374,832
<u>1,380,888</u>	<u>3,070,231</u>

<u>\$ 1,498,938</u>	<u>\$ 3,501,269</u>
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Village of Algonquin, Illinois

Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances (Deficit)
Year Ended April 30, 2011

	Motor Fuel Tax	Public Swimming Pool	Parks	Cemetery
Revenues				
Charges for services	\$ -	\$ 114,410	\$ -	\$ 17,680
Intergovernmental, grants and contributions	941,735	-	6,406	-
Other taxes	-	-	-	-
Interest	1,601	4	588	1,930
Miscellaneous	-	15,067	-	18,448
Total revenues	943,336	129,481	6,994	38,058
Expenditures				
Current				
General government	-	210,031	-	35,285
Public works	820,324	-	97,182	-
Total expenditures	820,324	210,031	97,182	35,285
Excess (deficiency) of revenues over expenditures	123,012	(80,550)	(90,188)	2,773
Other financing sources				
Transfers in	38,305	97,398	-	-
Transfers out	-	-	-	-
Net change in fund balances	161,317	16,848	(90,188)	2,773
Fund balances (deficit) - beginning	1,177,417	(37)	164,171	257,042
Fund balances - ending	\$ 1,338,734	\$ 16,811	\$ 73,983	\$ 259,815

Special Revenue	Totals
\$ -	\$ 132,090
5,858	953,999
101,933	101,933
9,995	14,118
-	33,515
<u>117,786</u>	<u>1,235,655</u>
193,848	439,164
23,769	941,275
<u>217,617</u>	<u>1,380,439</u>
(99,831)	(144,784)
-	135,703
(45,000)	(45,000)
<u>(144,831)</u>	<u>(54,081)</u>
1,525,719	3,124,312
<u>\$ 1,380,888</u>	<u>\$ 3,070,231</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, 2011

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental			
Motor fuel tax allotments	\$ 815,000	\$ 815,000	\$ 941,735
Interest	2,000	2,000	1,601
Total revenues	<u>817,000</u>	<u>817,000</u>	<u>943,336</u>
Expenditures			
Current			
Public works			
Materials	328,000	328,000	281,432
Engineering services	67,500	67,500	19,000
Maintenance	1,113,750	1,113,750	519,892
Total expenditures	<u>1,509,250</u>	<u>1,509,250</u>	<u>820,324</u>
Excess (deficiency) of revenues over expenditures	(692,250)	(692,250)	123,012
Other financing sources			
Transfers in	-	-	38,305
Net change in fund balance	<u>\$ (692,250)</u>	<u>\$ (692,250)</u>	161,317
Fund balance - beginning			<u>1,177,417</u>
Fund balance - ending			<u>\$ 1,338,734</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, 2011

	Original Budget	Final Budget	Actual
Revenues			
Charges for services			
Swimming pool fees	\$ 40,000	\$ 40,000	\$ 34,914
Swimming daily fees	30,000	30,000	31,431
Swimming lessons	45,900	45,900	34,250
Concessions- candy	13,250	13,250	13,815
Interest	5	5	4
Miscellaneous	17,350	17,350	15,067
Total revenues	146,505	146,505	129,481
Expenditures			
Current			
General government			
Personnel	102,300	102,300	106,038
Commodities	15,950	15,950	9,454
Contractual services	78,185	78,185	92,483
Other	2,250	2,250	2,056
Total expenditures	198,685	198,685	210,031
Deficiency of revenues over expenditures	(52,180)	(52,180)	(80,550)
Other financing sources			
Transfers in	52,180	52,180	97,398
Net change in fund balance	\$ -	\$ -	16,848
Fund balance (deficit) - beginning			(37)
Fund balance - ending			\$ 16,811

Village of Algonquin, Illinois

Public Swimming Pool Fund

Schedule of Expenditures - Budget and Actual
Year Ended April 30, 2011

	Original Budget	Final Budget	Actual
Expenditures			
Current			
General government			
Personnel			
Salary of pool employees	\$ 94,000	\$ 94,000	\$ 97,731
Social security/state unemployment tax	8,300	8,300	8,307
	<u>102,300</u>	<u>102,300</u>	<u>106,038</u>
Commodities			
Office supplies	1,600	1,600	554
Office furniture and equipment	3,000	3,000	-
Concessions	10,500	10,500	8,522
Small tools and equipment	850	850	378
	<u>15,950</u>	<u>15,950</u>	<u>9,454</u>
Contractual services			
Telephone	50	50	12
Gas-heat	2,555	2,555	3,336
Electricity	6,000	6,000	5,872
Water	2,000	2,000	2,802
Maintenance	59,580	59,580	74,300
Insurance	8,000	8,000	6,161
	<u>78,185</u>	<u>78,185</u>	<u>92,483</u>
Other			
Travel/training/dues	1,050	1,050	715
Youth assistance fee	-	-	180
Uniforms and safety items	1,200	1,200	1,161
	<u>2,250</u>	<u>2,250</u>	<u>2,056</u>
Total expenditures	<u>\$ 198,685</u>	<u>\$ 198,685</u>	<u>\$ 210,031</u>

Village of Algonquin, Illinois

Parks Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2011

	Original Budget	Final Budget	Actual
Revenues			
Contributions	\$ -	\$ -	\$ 6,406
Interest	2,050	2,050	588
Total revenues	<u>2,050</u>	<u>2,050</u>	<u>6,994</u>
Expenditures			
Current			
Public works			
Contractual services			
Tree planting	20,000	20,000	20,000
Wetland mitigation	70,600	83,700	62,332
Ecosystem maintenance	20,000	20,000	14,850
Total expenditures	<u>110,600</u>	<u>123,700</u>	<u>97,182</u>
Net change in fund balance	<u>\$ (108,550)</u>	<u>\$ (121,650)</u>	(90,188)
Fund balance - beginning			<u>164,171</u>
Fund balance - ending			<u>\$ 73,983</u>

Village of Algonquin, Illinois

Cemetery Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2011

	Original Budget	Final Budget	Actual
Revenues			
Charges for services			
Opening graves and closing crypts	\$ 8,500	\$ 8,500	\$ 12,150
Perpetual care	2,000	2,000	1,280
Sale of lots	6,000	6,000	4,250
Interest	3,050	3,050	1,930
Miscellaneous	18,450	18,450	18,448
Total revenues	38,000	38,000	38,058
Expenditures			
Current			
General government			
Commodities			
Supplies	2,200	2,200	117
Contractual services			
Professional services	26,600	26,600	24,294
Grave openings	6,000	6,000	9,600
Insurance	2,000	2,000	1,274
Total expenditures	36,800	36,800	35,285
Net change in fund balance	\$ 1,200	\$ 1,200	2,773
Fund balance - beginning			<u>257,042</u>
Fund balance - ending			<u><u>\$ 259,815</u></u>

Village of Algonquin, Illinois

Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2011**

	Original Budget	Final Budget	Actual
Revenues			
Contributions	\$ 200,000	\$ 200,000	\$ 5,858
Other taxes			
Hotel tax	90,000	90,000	101,933
Interest	28,000	28,000	9,995
Total revenues	<u>318,000</u>	<u>318,000</u>	<u>117,786</u>
Expenditures			
Current			
General government			
Regional marketing	45,000	45,000	10,940
Contractual services - development agreement	-	-	63,730
Contractual services - impact fees	200,000	200,000	119,178
Public works			
Contractual services - snow removal	15,000	30,000	23,769
Total expenditures	<u>260,000</u>	<u>275,000</u>	<u>217,617</u>
Excess (deficiency) of revenues over expenditures	58,000	43,000	(99,831)
Other financing uses			
Transfers out	(45,000)	(45,000)	(45,000)
Net change in fund balance	<u>\$ 13,000</u>	<u>\$ (2,000)</u>	(144,831)
Fund balance - beginning			<u>1,525,719</u>
Fund balance - ending			<u>\$ 1,380,888</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, 2011

	Original Budget	Final Budget	Actual
Revenues			
Interest	\$ 125,000	\$ 125,000	\$ 121,703
Expenditures			
Debt service			
Principal	500,000	500,000	500,000
Interest fees and fiscal charges	244,500	244,500	187,454
Debt issuance costs	-	-	39,054
Total expenditures	<u>744,500</u>	<u>744,500</u>	<u>726,508</u>
Deficiency of revenues over expenditures	<u>(619,500)</u>	<u>(619,500)</u>	<u>(604,805)</u>
Other financing sources (uses)			
Debt issuance	-	-	2,425,000
Premium on issuance	-	-	30,345
Transfer to escrow agent	-	-	(2,444,498)
Transfers in	627,000	627,000	671,652
Total other financing sources (uses)	<u>627,000</u>	<u>627,000</u>	<u>682,499</u>
Net change in fund balance	<u>\$ 7,500</u>	<u>\$ 7,500</u>	77,694
Fund balance - beginning			<u>3,473,130</u>
Fund balance - ending			<u>\$ 3,550,824</u>

NONMAJOR CAPITAL PROJECTS FUND

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

Village of Algonquin, Illinois

Nonmajor Capital Projects Fund - Village Expansion Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2011

	Original Budget	Final Budget	Actual
Revenues			
Contributions	\$ -	\$ -	\$ 400
Interest	600	600	776
Total revenues	600	600	1,176
Expenditures			
Capital outlay	-	-	-
Net change in fund balance	<u>\$ 600</u>	<u>\$ 600</u>	1,176
Fund balance - beginning			<u>129,144</u>
Fund balance - ending			<u>\$ 130,320</u>

MAJOR ENTERPRISE FUND

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

Village of Algonquin, Illinois

Waterworks and Sewerage Fund

Schedule of Net Assets - by Account

April 30, 2011

	Operations and Maintenance	Improvements and Extension	Totals
Assets			
Current Assets			
Cash and cash equivalents	\$ 943,738	\$ 3,183,731	\$ 4,127,469
Investments	354,000	1,900,000	2,254,000
Receivables			
Accounts	774,795	509,610	1,284,405
Interest	1,522	9,411	10,933
Prepaid items	27,248	-	27,248
Intrafund receivable (payable)	1,081,508	(1,081,508)	-
Restricted assets - investments	362,000	455,000	817,000
Total current assets	3,544,811	4,976,244	8,521,055
Deferred charges	62,914	-	62,914
Capital Assets			
Cost	111,630,565	-	111,630,565
Accumulated depreciation	(41,599,239)	-	(41,599,239)
Total capital assets, net	70,031,326	-	70,031,326
Total assets	\$ 73,639,051	\$ 4,976,244	\$ 78,615,295
Liabilities			
Current Liabilities			
Accounts payable	\$ 276,916	\$ 19,639	\$ 296,555
Accrued interest	30,005	-	30,005
Compensated absences payable	109,593	-	109,593
General obligation bonds payable	455,000	-	455,000
Total current liabilities	871,514	19,639	891,153
Noncurrent Liabilities			
Compensated absences payable	56,485	-	56,485
General obligation bonds payable, net	8,739,256	-	8,739,256
Total noncurrent liabilities	8,795,741	-	8,795,741
Total liabilities	9,667,255	19,639	9,686,894
Net Assets			
Invested in capital assets, net of related debt	60,837,070	-	60,837,070
Restricted for debt service	362,000	455,000	817,000
Unrestricted	2,772,726	4,501,605	7,274,331
Total net assets	\$ 63,971,796	\$ 4,956,605	\$ 68,928,401

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, 2011

	Original Budget	Final Budget	Actual
Operating revenues			
Charges for services			
Water and sewer revenue	\$ 5,768,735	\$ 5,768,735	\$ 5,077,861
Meter sales	6,000	6,000	8,075
Connection fees	-	-	152,938
Administration fee	81,500	81,500	79,985
Miscellaneous	143,685	143,685	131,806
Total operating revenues	<u>5,999,920</u>	<u>5,999,920</u>	<u>5,450,665</u>
Operating expenses excluding depreciation	<u>6,276,629</u>	<u>6,431,586</u>	<u>4,632,384</u>
Nonoperating revenues (expenses)			
Home rule sales tax	1,875,000	1,875,000	2,140,901
Contributions - developers	8,000	8,000	54,112
Interest income	31,100	31,100	30,000
Principal retirement	(505,000)	(505,000)	(325,000)
Interest expense and fiscal agent fees	(397,000)	(397,000)	(379,258)
Total nonoperating revenues (expenses)	<u>1,012,100</u>	<u>1,012,100</u>	<u>1,520,755</u>

Village of Algonquin, Illinois

Waterworks and Sewerage Fund

Schedule of Operating Expenses - Budget and Actual (Budgetary Basis)
Year Ended April 30, 2011

	Original Budget	Final Budget	Actual
Water department			
Personnel			
IMRF	\$ 93,889	\$ 93,889	\$ 86,881
FICA	70,403	70,403	63,274
Unemployment tax	2,075	2,075	1,214
Health insurance	153,725	153,725	152,885
Salaries	881,010	881,010	842,513
Overtime	28,000	28,000	28,561
Commodities			
Meters	35,000	48,000	41,200
Office supplies	500	500	584
Materials	15,400	15,400	6,021
Chemicals	189,600	189,600	161,334
Postage	29,300	29,300	25,655
Small tools and equipment	9,600	9,600	5,684
Fuel	26,450	26,450	23,332
Lab supplies	7,250	7,250	6,985
Office furniture and equipment	14,275	14,275	6,870
Contractual services			
Utilities	329,820	333,143	308,087
Legal services	4,000	4,000	3,921
Audit services	4,450	4,450	4,437
Engineering services	5,500	5,075	1,800
Professional services	81,320	81,320	62,541
Insurance	92,000	92,000	76,892
Publications	900	1,325	914
Printing	5,600	5,600	3,934
Equipment rental	1,750	1,750	260
Physical exams	400	400	-
Travel/training/dues	5,765	5,765	3,929
Bank processing fees	17,000	17,000	17,504
Uniforms	6,300	6,300	4,517
Maintenance			
Wells	124,630	122,930	31,692
Booster station	19,400	14,400	7,792
Maintenance storage facility	9,000	1,000	58
Treatment facility	15,120	15,120	14,937
Distribution system	37,450	37,450	18,544

(Continued)

Village of Algonquin, Illinois

Waterworks and Sewerage Fund

Schedule of Operating Expenses - Budget and Actual (Budgetary Basis) (Continued)
Year Ended April 30, 2011

	Original Budget	Final Budget	Actual
Water department (continued)			
Contractual services (continued)			
Maintenance (continued)			
Vehicle maintenance	\$ 20,640	\$ 20,640	\$ 30,587
Building maintenance	70,375	70,375	72,667
Maintenance - Other	820	820	444
Equipment maintenance	33,870	33,870	32,034
Capital outlay	21,000	21,000	20,994
Less fixed assets capitalized	(21,000)	(21,000)	-
Total water department	<u>2,442,587</u>	<u>2,444,210</u>	<u>2,171,478</u>
Sewer department			
Personnel			
IMRF	92,894	92,894	81,517
FICA	69,638	69,638	59,178
Unemployment tax	1,975	1,975	1,105
Health insurance	128,625	128,625	113,065
Salaries	870,110	870,110	787,067
Overtime	29,600	29,600	19,636
Commodities			
Meters	35,000	35,000	35,000
Office supplies	800	800	677
Materials	12,523	12,523	4,403
Chemicals	94,100	68,600	34,895
Postage	27,350	27,350	22,623
Small tools and equipment	14,400	14,400	13,620
Fuel	19,660	19,660	25,003
Lab supplies	6,650	6,650	6,635
Office furniture and equipment	14,275	14,275	7,046
Contractual services			
Utilities	463,010	466,232	441,125
Legal services	4,000	4,000	433
Audit services	4,450	4,450	4,437
Engineering services	4,000	3,575	-
Professional services	100,220	100,220	69,352

Village of Algonquin, Illinois

Waterworks and Sewerage Fund

Schedule of Operating Expenses - Budget and Actual (Budgetary Basis) (Continued)
Year Ended April 30, 2011

	Original Budget	Final Budget	Actual
Sewer department (continued)			
Contractual services (continued)			
Insurance	\$ 107,000	\$ 107,000	\$ 80,313
Publications	500	925	627
Printing	2,300	2,300	577
Equipment rental	2,050	2,050	351
Physical exams	400	400	-
Sludge removal	68,500	90,000	89,408
Travel/training/dues	5,665	5,665	2,200
Bank processing fees	17,000	17,000	17,504
Uniforms	6,900	6,900	5,468
Maintenance			
Treatment facility	106,200	106,200	76,198
Lift station	22,450	22,450	21,052
Collection station	15,300	15,300	6,487
Vehicle maintenance	43,690	43,690	35,156
Building maintenance	54,427	54,427	60,018
Equipment maintenance	51,460	51,460	39,155
Other	820	820	793
Capital outlay	601,491	601,491	20,994
Less capitalized amounts	(601,491)	(601,491)	-
Total sewer department	<u>2,497,942</u>	<u>2,497,164</u>	<u>2,183,118</u>
Non departmental			
Contractual services			
Engineering services	159,100	159,100	31,837
Legal services	20,000	20,000	2,689
Infrastructure maintenance	1,157,000	1,311,112	243,262
Total non departmental	<u>1,336,100</u>	<u>1,490,212</u>	<u>277,788</u>
Total operating expenses	<u>\$ 6,276,629</u>	<u>\$ 6,431,586</u>	<u>\$ 4,632,384</u>

INTERNAL SERVICE FUNDS

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

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

Village of Algonquin, Illinois

Combining Statement of Net Assets - Internal Service Funds

April 30, 2011

	Building Service Fund	Vehicle Maintenance Fund	Total
Assets			
Current			
Cash and cash equivalents	\$ -	\$ 21,912	\$ 21,912
Receivables			
Accounts	-	28,295	28,295
Inventory	21,589	88,703	110,292
	<u>21,589</u>	<u>138,910</u>	<u>160,499</u>
Capital Assets			
Cost	-	51,833	51,833
Accumulated depreciation	-	(51,833)	(51,833)
Total capital assets, net	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 21,589</u>	<u>\$ 138,910</u>	<u>\$ 160,499</u>
Liabilities			
Current			
Accounts payable	<u>\$ 21,589</u>	<u>\$ 50,746</u>	<u>\$ 72,335</u>
Net Assets			
Unrestricted	<u>\$ -</u>	<u>\$ 88,164</u>	<u>\$ 88,164</u>

Village of Algonquin, Illinois

Combining Statement of Revenues, Expenses and Changes in Net Assets -
Internal Service Funds
Year Ended April 30, 2011

	Building Service Fund	Vehicle Maintenance Fund	Total
Operating revenues			
Maintenance billings	\$ 622,674	\$ 1,109,395	\$ 1,732,069
Miscellaneous	-	247	247
Total operating revenues	622,674	1,109,642	1,732,316
Operating expenses	622,674	1,109,642	1,732,316
Operating income	-	-	-
Net assets - beginning	-	88,164	88,164
Net assets - ending	\$ -	\$ 88,164	\$ 88,164

Village of Algonquin, Illinois

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

	Building Service Fund	Vehicle Maintenance Fund	Total
Cash flows from operating activities			
Cash paid to suppliers	\$ (307,512)	\$ (722,264)	\$ (1,029,776)
Cash paid to employees	(315,162)	(378,952)	(694,114)
Cash received for interfund services provided	622,674	1,091,179	1,713,853
Net cash (used for) operating activities	<u>-</u>	<u>(10,037)</u>	<u>(10,037)</u>
Net decrease in cash and equivalents	-	(10,037)	(10,037)
Cash and equivalents - beginning	-	31,949	31,949
Cash and equivalents - ending	<u>\$ -</u>	<u>\$ 21,912</u>	<u>\$ 21,912</u>
Reconciliation of operating income to net cash used for operating activities			
Operating income	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Adjustments to reconcile operating income to net cash used for operating activities			
Changes in assets and liabilities			
Accounts receivable	-	(18,463)	(18,463)
Inventory	6,304	(7,868)	(1,564)
Accounts payable	(6,304)	16,294	9,990
Total adjustments	<u>-</u>	<u>(10,037)</u>	<u>(10,037)</u>
Net cash used for operating activities	<u>\$ -</u>	<u>\$ (10,037)</u>	<u>\$ (10,037)</u>

Village of Algonquin, Illinois

Internal Service Fund - Building Service Fund

Schedule of Revenues, Expenses and
Changes in Net Assets - Budget and Actual
Year Ended April 30, 2011

	Original Budget	Final Budget	Actual
Operating revenues			
Charges for services			
Maintenance billings	\$ 643,550	\$ 643,550	\$ 622,674
Total operating revenues	<u>643,550</u>	<u>643,550</u>	<u>622,674</u>
Operating expenses			
Personnel	326,350	326,350	315,162
Contractual services	8,280	8,331	4,053
Supplies and materials	108,290	108,290	110,724
Maintenance	193,825	193,825	190,211
Other charges	6,805	6,805	2,524
Total operating expenses	<u>643,550</u>	<u>643,601</u>	<u>622,674</u>
Operating income	<u>\$ -</u>	<u>\$ (51)</u>	-
Net assets - beginning			<u>-</u>
Net assets - ending			<u>\$ -</u>

Village of Algonquin, Illinois

Internal Service Fund - Building Service Fund

Schedule of Operating Expenses - Budget and Actual
Year Ended April 30, 2011

	Original Budget	Final Budget	Actual
Operating expenses			
Personnel			
IMRF	\$ 24,300	\$ 24,300	\$ 23,497
FICA	18,000	18,000	17,302
SUI	800	800	357
Health insurance	43,500	43,500	37,976
Salaries	226,400	226,400	223,620
Overtime	13,350	13,350	12,410
	<u>326,350</u>	<u>326,350</u>	<u>315,162</u>
Contractual services			
Telephone	3,020	3,020	2,971
Natural gas	3,150	3,201	61
Professional services	300	300	973
Publications	250	250	-
Printing and advertising	410	410	48
Equipment rental	750	750	-
Physical exams	400	400	-
	<u>8,280</u>	<u>8,331</u>	<u>4,053</u>
Supplies and materials			
Office supplies	400	400	324
Postage	50	50	-
Building supplies	101,500	101,500	103,858
Tools, equipment and supplies	2,610	2,610	2,590
Fuel	3,300	3,300	3,952
Office furniture and equipment	430	430	-
	<u>108,290</u>	<u>108,290</u>	<u>110,724</u>
Maintenance			
Vehicle maintenance	3,500	3,500	12,548
Equipment maintenance	2,000	2,000	420
Buildings maintenance	-	-	106
Grounds maintenance	70	70	-
Outsourced building maintenance	187,635	187,635	176,817
Office equipment maintenance	620	620	320
	<u>193,825</u>	<u>193,825</u>	<u>190,211</u>

(Continued)

Village of Algonquin, Illinois

Internal Service Fund - Building Service Fund

Schedule of Operating Expenses - Budget and Actual (Continued)
Year Ended April 30, 2011

	Original Budget	Final Budget	Actual
Operating expenses (continued)			
Other charges			
Travel, training and dues	\$ 4,100	\$ 4,100	\$ 877
Uniforms and safety items	2,705	2,705	1,647
	<u>6,805</u>	<u>6,805</u>	<u>2,524</u>
Total operating expenses	<u>\$ 643,550</u>	<u>\$ 643,601</u>	<u>\$ 622,674</u>

Village of Algonquin, Illinois

Internal Service Fund - Vehicle Maintenance Fund

Schedule of Revenues, Expenses and
Changes in Net Assets - Budget and Actual
Year Ended April 30, 2011

	Original Budget	Final Budget	Actual
Operating revenues			
Charges for services			
Maintenance billings	\$ 840,460	\$ 840,460	\$ 696,026
Fire district fuel	53,490	53,490	72,298
Fuel billings	274,750	274,750	288,007
Fleet Maintenance	-	-	53,064
Miscellaneous	-	-	247
Total operating revenues	<u>1,168,700</u>	<u>1,168,700</u>	<u>1,109,642</u>
Operating expenses			
Personnel	395,675	395,675	378,952
Contractual services	28,120	28,171	19,347
Supplies and materials	647,140	647,140	604,823
Maintenance	87,255	87,255	100,115
Other charges	10,510	10,510	6,405
Total operating expenses	<u>1,168,700</u>	<u>1,168,751</u>	<u>1,109,642</u>
Change in net assets	<u>\$ -</u>	<u>\$ (51)</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, 2011

	Original Budget	Final Budget	Actual
Operating expenses			
Personnel			
IMRF	\$ 29,300	\$ 29,300	\$ 27,828
FICA	22,000	22,000	20,490
SUI	900	900	446
Health insurance	59,975	59,975	52,315
Salaries	271,500	271,500	270,535
Overtime	12,000	12,000	7,338
	<u>395,675</u>	<u>395,675</u>	<u>378,952</u>
Contractual services			
Telephone	4,010	4,010	3,778
Natural gas	8,250	8,301	61
Legal services	-	-	188
Professional services	7,400	7,400	7,189
Publications	6,400	6,400	7,250
Printing and advertising	410	410	44
Equipment rental	1,250	1,250	837
Physical exams	400	400	-
	<u>28,120</u>	<u>28,171</u>	<u>19,347</u>
Supplies and materials			
Office supplies	500	500	417
Postage	200	200	8
Building supplies	-	-	-
Tools, equipment and supplies	110	110	75
Fuel	336,500	336,500	366,093
Oil, lubricants, and fluids	309,400	309,400	238,230
Office furniture and equipment	430	430	-
	<u>647,140</u>	<u>647,140</u>	<u>604,823</u>
Maintenance			
Vehicle maintenance	8,000	8,000	9,530
Equipment maintenance	3,500	3,500	870
Building maintenance	35,000	35,000	42,127
Grounds maintenance	135	135	-
Outsourced vehicle and equipment maintenance	40,000	40,000	47,279
Office equipment maintenance	620	620	309
	<u>87,255</u>	<u>87,255</u>	<u>100,115</u>

(Continued)

Village of Algonquin, Illinois

Internal Service Fund - Vehicle Maintenance Fund

Schedule of Operating Expenses - Budget and Actual (Continued)
Year Ended April 30, 2011

	Original Budget	Final Budget	Actual
Operating expenses (continued)			
Other charges			
Travel, training and dues	\$ 3,700	\$ 3,700	\$ 1,977
Uniforms and safety items	6,810	6,810	4,428
	<u>10,510</u>	<u>10,510</u>	<u>6,405</u>
Total operating expenses	<u>\$ 1,168,700</u>	<u>\$ 1,168,751</u>	<u>\$ 1,109,642</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, 2011

	Original Budget	Final Budget	Actual
Additions			
Contributions			
Employer	\$ 917,000	\$ 917,000	\$ 916,349
Employee	395,000	395,000	411,126
	<u>1,312,000</u>	<u>1,312,000</u>	<u>1,327,475</u>
Investment income			
Net appreciation in fair value of investments	259,098	259,098	857,634
Interest income	202,902	202,902	190,651
Less investment expenses	(70,000)	(70,000)	(65,576)
	<u>392,000</u>	<u>392,000</u>	<u>982,709</u>
Total additions	<u>1,704,000</u>	<u>1,704,000</u>	<u>2,310,184</u>
Deductions			
Administration	24,500	24,500	7,593
Pension benefits and refunds	240,000	240,000	220,451
Total deductions	<u>264,500</u>	<u>264,500</u>	<u>228,044</u>
Change in net assets	<u>\$ 1,439,500</u>	<u>\$ 1,439,500</u>	2,082,140
Net assets - beginning			<u>10,875,018</u>
Net assets - ending			<u>\$ 12,957,158</u>

Village of Algonquin, Illinois

Agency Fund - Developer Deposits

Statement of Changes in Assets and Liabilities
Year Ended April 30, 2011

	Balance, May 1	Additions	Deductions	Balance, April 30
Assets				
Cash and cash equivalents	\$ 585,306	\$ 809,267	\$ 816,071	\$ 578,502
Liabilities				
Deposits	\$ 585,306	\$ 809,267	\$ 816,071	\$ 578,502

OTHER SUPPLEMENTARY INFORMATION

Village of Algonquin, Illinois

**Long-Term Debt Requirements
General Obligation Bonds, Series 2002B
April 30, 2011**

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	
2012*	\$ 2,721,752	\$ 143,941	\$ 2,865,693

*Bonds are scheduled to be called on April 1, 2012 (see Note 5 on page 43).

Village of Algonquin, Illinois

Long Term Debt Obligations
 General Obligation Bonds, Series 2005A
 April 30, 2011

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	
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	859,186
2016	143,868	575,000	143,868	862,736
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	882,536
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	903,562
2024	35,581	850,000	35,581	921,162
2025	18,156	875,000	18,156	911,312
	<u>\$ 1,527,497</u>	<u>\$ 8,865,000</u>	<u>\$ 1,527,497</u>	<u>\$ 11,919,994</u>

Village of Algonquin, Illinois

Long Term Debt Obligations
 General Obligation Bonds, Series 2005B
 April 30, 2011

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	
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>\$ 407,704</u>	<u>\$ 2,935,000</u>	<u>\$ 407,704</u>	<u>\$ 3,750,408</u>

Village of Algonquin, Illinois

Long-Term Debt Requirements

General Obligation Refunding Bonds - Series 2010 Debt Service

April 30, 2011

Date of issue	June 1, 2010
Date of maturity	April 1, 2015
Interest rate	4.25% - 4.60%
Interest dates	October 1 and April 1
Payable at	BNY Midwest Trust Company

Principal and Interest Requirements

Fiscal Year	October 1	April 1		Total
	Interest	Principal	Interest	
2012	\$ 30,575	\$ 555,000	\$ 30,575	\$ 616,150
2013	25,025	590,000	25,025	640,050
2014	17,650	620,000	17,650	655,300
2015	9,900	660,000	9,900	679,800
	<u>\$ 83,150</u>	<u>\$ 2,425,000</u>	<u>\$ 83,150</u>	<u>\$ 2,591,300</u>

Village of Algonquin, Illinois

Long-Term Debt Requirements

General Obligation Refunding Bonds - Series 2010 Water/Sewer

April 30, 2011

Date of issue	June 1, 2010
Date of maturity	April 1, 2012
Interest rate	2.00%
Interest dates	October 1 and April 1
Payable at	BNY Midwest Trust Company

Principal and Interest Requirements

Fiscal Year	October 1	April 1		Total
	Interest	Principal	Interest	
2012	\$ 3,550	\$ 355,000	\$ 3,550	\$ 362,100

Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	99-107
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the Village's ability to generate its property and sales taxes.	108-113
Debt Capacity These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.	114-117
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place and to help make comparisons over time and with other governments.	118-120
Operating Information These schedules contain information about the Village's operations and resources to help the reader understand how the Village's financial information relates to the services the Village provides and the activities it performs.	121-123

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 Eight Fiscal Years**

	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

Fiscal Year				
2007	2008	2009	2010	2011
\$ 181,289,769	\$ 185,504,246	\$ 179,027,466	\$ 176,607,596	\$ 175,520,012
6,507,747	5,615,510	6,281,547	7,376,272	7,503,441
8,448,512	6,286,051	7,633,118	7,055,416	8,606,808
<u>\$ 196,246,028</u>	<u>\$ 197,405,807</u>	<u>\$ 192,942,131</u>	<u>\$ 191,039,284</u>	<u>\$ 191,630,261</u>
\$ 67,709,537	\$ 74,099,851	\$ 73,436,233	\$ 63,883,643	\$ 60,837,070
785,446	804,588	406,000	920,000	817,000
6,085,709	2,254,481	4,727,611	5,027,550	7,274,331
<u>\$ 74,580,692</u>	<u>\$ 77,158,920</u>	<u>\$ 78,569,844</u>	<u>\$ 69,831,193</u>	<u>\$ 68,928,401</u>
\$ 248,999,306	\$ 259,604,097	\$ 252,463,699	\$ 240,491,239	\$ 236,357,082
7,293,193	6,420,098	6,687,547	8,296,272	8,320,441
14,534,221	8,540,532	12,360,729	12,082,966	15,881,139
<u>\$ 270,826,720</u>	<u>\$ 274,564,727</u>	<u>\$ 271,511,975</u>	<u>\$ 260,870,477</u>	<u>\$ 260,558,662</u>

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

	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)

Fiscal Year				
2007	2008	2009	2010	2011
\$ 7,486,196	\$ 4,378,364	\$ 4,618,093	\$ 4,511,797	\$ 4,538,951
6,023,380	6,987,936	7,686,244	7,924,602	8,086,707
7,567,852	9,844,829	16,991,574	12,154,994	8,930,380
440,111	378,502	408,053	395,572	344,884
21,517,539	21,589,631	29,703,964	24,986,965	21,900,922
7,530,363	7,600,797	8,708,844	16,311,087	8,578,470
7,530,363	7,600,797	8,708,844	16,311,087	8,578,470
\$ 29,047,902	\$ 29,190,428	\$ 38,412,808	\$ 41,298,052	\$ 30,479,392
\$ 1,523,407	\$ 1,266,281	\$ 1,416,942	\$ 732,201	\$ 718,779
610,043	715,082	745,832	1,223,423	977,767
105,074	78,279	42,130	21,704	14,989
1,213,851	1,156,090	1,017,003	971,168	1,191,828
1,586,198	1,487,548	3,807,774	1,579,772	368,995
5,038,573	4,703,280	7,029,681	4,528,268	3,272,358
5,665,128	5,602,144	5,624,824	5,201,422	5,450,665
1,090	54,641	34,040	37,071	54,112
-	465,381	959,913	-	-
5,666,218	6,122,166	6,618,777	5,238,493	5,504,777
\$ 10,704,791	\$ 10,825,446	\$ 13,648,458	\$ 9,766,761	\$ 8,777,135
\$ (16,478,966)	\$ (16,886,351)	\$ (22,674,283)	\$ (20,458,697)	\$ (18,628,564)
(1,864,145)	(1,478,631)	(2,090,067)	(11,072,594)	(3,073,693)
\$ (18,343,111)	\$ (18,364,982)	\$ (24,764,350)	\$ (31,531,291)	\$ (21,702,257)

(Continued)

Village of Algonquin, Illinois

Change in Net Assets (Continued)
Last Eight Fiscal Years

	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
Total Governmental Activities	10,523,386	12,844,614	15,218,769
Business-type Activities			
Sales	-	-	-
Investment Earnings	114,704	181,168	245,981
Miscellaneous	(250,395)	-	-
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	\$ 23,742,120	\$ 50,324,025	\$ 4,711,201

Data Source

Audited Financial Statements

Fiscal Year				
2007	2008	2009	2010	2011
\$ 4,720,450	\$ 5,168,603	\$ 5,583,456	\$ 5,939,181	\$ 5,960,733
6,543,069	6,510,307	6,848,007	7,550,234	8,030,266
2,771,039	3,426,760	3,067,163	2,676,478	2,817,443
1,739,948	1,023,062	1,014,164	947,168	1,015,552
512,757	899,998	887,618	866,264	1,189,334
615,840	601,941	342,425	215,056	192,446
8,726	415,459	467,774	361,469	13,767
16,911,829	18,046,130	18,210,607	18,555,850	19,219,541
2,568,447	3,567,652	3,112,492	2,282,512	2,140,901
577,561	230,995	79,999	51,431	30,000
105,000	258,212	308,500	-	-
3,251,008	4,056,859	3,500,991	2,333,943	2,170,901
\$ 20,162,837	\$ 22,102,989	\$ 21,711,598	\$ 20,889,793	\$ 21,390,442
\$ 432,863	\$ 1,159,779	\$ (4,463,676)	\$ (1,902,847)	\$ 590,977
1,386,863	2,578,228	1,410,924	(8,738,651)	(902,792)
\$ 1,819,726	\$ 3,738,007	\$ (3,052,752)	\$ (10,641,498)	\$ (311,815)

Village of Algonquin, Illinois

Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Reserved	\$ -	\$ 56,663	\$ 67,970	\$ 73,572	\$ 73,689	\$ 489,665	\$ 128,273	\$ 91,051	\$ 820,482	\$ 1,087,729
Designated	-	-	-	-	-	439,570	370,413	723,366	630,847	631,745
Unreserved	2,044,362	1,155,543	1,984,223	3,846,707	4,737,674	5,766,026	7,240,821	7,537,908	8,031,591	8,981,623
Total General Fund	\$ 2,044,362	\$ 1,212,206	\$ 2,052,193	\$ 3,920,279	\$ 4,811,363	\$ 6,695,261	\$ 7,739,507	\$ 8,352,325	\$ 9,482,920	\$ 10,701,097
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ 2,135,363	\$ 1,570,213	\$ 4,505,881	\$ 6,095,826	\$ 5,580,401	\$ 6,191,767	\$ 6,633,759	\$ 6,506,815
Unreserved, reported in										
Special Revenue Funds	8,104,587	6,875,752	3,567,165	3,715,606	3,074,909	2,199,087	2,347,141	3,088,941	2,363,027	3,001,419
Capital Project Funds	7,850,974	2,719,338	31,162	(21,899)	63,877	74,556	80,778	127,264	129,144	130,320
Debt Service Funds	582,010	595,259	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 16,537,571	\$ 10,190,349	\$ 5,733,690	\$ 5,263,920	\$ 7,644,667	\$ 8,369,469	\$ 8,008,320	\$ 9,407,972	\$ 9,125,930	\$ 9,638,554

Data Source

Audited Financial Statements

Village of Algonquin, Illinois

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	\$ 6,456,006	\$ 7,630,517	\$ 10,687,467	\$ 12,502,435	\$ 14,729,311	\$ 16,215,537	\$ 17,517,779	\$ 17,616,380	\$ 18,408,483	\$ 19,016,084
Licenses and Permits	1,195,121	1,081,629	711,050	1,564,632	1,111,868	798,701	716,764	934,656	339,520	358,788
Intergovernmental, Grants and Contributions	3,068,438	3,446,123	2,603,352	3,485,828	2,414,341	1,723,544	1,328,505	1,591,706	1,696,032	1,277,185
Charges for Services	849,321	902,084	811,630	557,327	480,582	815,555	696,065	520,417	463,882	301,319
Fines and Forfeitures	641,270	564,154	804,387	859,013	576,564	583,982	615,449	694,899	1,132,348	907,896
Investment Income	442,898	378,085	126,958	158,115	325,514	615,840	601,942	342,425	215,055	192,446
Miscellaneous	1,147,376	772,364	148,336	135,415	65,359	76,337	74,794	128,001	55,366	58,564
Total Revenues	13,800,430	14,774,956	15,893,180	19,262,765	19,703,539	20,829,496	21,551,298	21,828,484	22,310,686	22,112,282
Expenditures										
General Government	2,338,553	2,502,442	3,096,296	4,198,060	4,040,376	3,954,995	4,018,830	4,159,903	4,030,535	4,109,045
Public Safety	3,736,608	4,563,809	5,175,559	5,479,560	6,622,469	6,322,486	6,784,724	7,516,079	7,730,736	7,980,376
Highways and Streets	2,029,600	2,341,470	-	-	-	-	-	-	-	-
Public Works	-	-	3,181,664	4,479,163	3,978,291	4,531,800	6,609,056	5,101,332	6,098,858	6,064,344
Culture and Recreation	1,044,047	1,749,971	-	-	-	-	-	-	-	-
Miscellaneous	47,480	54,879	-	-	-	-	-	-	-	-
Capital Outlay	4,980,188	9,996,548	8,362,461	3,234,345	3,900,017	2,536,631	2,516,044	2,305,322	2,874,139	1,512,055
Debt Service										
Principal	380,000	365,000	385,000	463,181	504,547	543,317	597,355	451,600	465,000	500,000
Interest	152,403	297,446	271,768	261,888	296,134	331,567	307,192	281,778	262,865	187,454
Total Expenditures	14,708,879	21,871,565	20,472,748	18,116,197	19,341,834	18,220,796	20,833,201	19,816,014	21,462,133	20,353,274
Excess of Revenues over (under)										
Expenditures	(908,449)	(7,096,609)	(4,579,568)	1,146,568	361,705	2,608,700	718,097	2,012,470	848,553	1,759,008

(Continued)

Village of Algonquin, Illinois

Changes in Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Other financing Sources (Uses)										
Transfers In	\$ 2,495,312	\$ 1,348,251	\$ 560,319	\$ 562,909	\$ 574,104	\$ 617,081	\$ 1,050,798	\$ 669,376	\$ 678,098	\$ 852,355
Transfers Out	(521,700)	(1,184,790)	(560,319)	(562,909)	(574,104)	(617,081)	(1,085,798)	(669,376)	(678,098)	(852,355)
Proceeds from Capital Lease	-	-	-	250,000	-	-	-	-	-	-
Proceeds from bonds	6,672,542	-	-	-	2,935,000	-	-	-	-	-
Discount on general obligation bonds	-	-	-	-	(24,874)	-	-	-	-	-
Transfer to refunded bond escrow	(1,883,335)	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	36,107	1,748	-	-	-	-	-	-
Total Other Financing Sources (Uses)	6,762,819	163,461	36,107	251,748	2,910,126	-	(35,000)	-	-	-
Net Change in Fund Balances	\$ 5,854,370	\$ (6,933,148)	\$ (4,543,461)	\$ 1,398,316	\$ 3,271,831	\$ 2,608,700	\$ 683,097	\$ 2,012,470	\$ 848,553	\$ 1,759,008

**Debt Service as a Percentage of
Noncapital Expenditures**

	5.47%	5.58%	5.42%	4.87%	5.19%	5.58%	4.94%	4.19%	3.90%	3.74%
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Data Source

Audited Financial Statements

Village of Algonquin, Illinois

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

Levy Year	EQUALIZED ASSESSED VALUATION					Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value	Commercial and Industrial		Residential	
	Residential Property	Commercial Property	Industrial Property	Other Property	Number of permits					Value (1)	Number of permits	Value (1)	
2001	\$ 506,639,288	\$ 62,111,310	\$ 7,824,176	\$ 1,552,693	\$ 578,127,467	0.5017	\$ 1,734,382,401	33.333%	20	\$ 13,573,617	596	\$ 82,626,545	
2002	577,484,565	70,582,133	8,270,997	1,968,247	658,305,942	0.4559	1,974,917,826	33.333%	34	31,848,464	473	70,479,780	
2003	654,009,810	82,214,307	8,849,966	1,998,214	747,072,297	0.4837	2,241,216,891	33.333%	38	38,050,439	243	34,117,797	
2004	713,442,229	108,993,553	9,917,640	2,083,909	834,437,331	0.4765	2,503,311,993	33.333%	29	29,507,013	286	44,028,568	
2005	797,460,690	136,704,248	10,954,984	1,971,828	947,091,750	0.4641	2,841,275,250	33.333%	19	18,264,861	288	42,870,238	
2006	862,594,920	163,022,809	11,455,468	1,918,372	1,038,991,569	0.4642	3,116,974,707	33.333%	20	41,819,250	113	20,806,545	
2007	919,421,895	179,848,425	14,279,170	2,341,302	1,115,890,792	0.4701	3,347,672,376	33.333%	10	17,450,000	22	6,504,500	
2008	945,636,052	192,038,216	15,042,082	2,357,036	1,155,073,386	0.4849	3,465,220,158	33.333%	10	23,298,000	15	5,344,348	
2009	936,696,159	204,128,666	14,380,217	2,386,354	1,157,591,396	0.4839	3,472,774,188	33.333%	3	1,771,968	3	1,125,170	
2010	860,584,473	199,171,411	15,301,720	2,563,069	1,077,620,673	0.5233	3,232,862,019	33.333%	2	2,316,784	2	1,244,433	

Data Source

Assessed Value, Tax Rate, Taxable Value: Office of the County Clerks and Township Assessors

Permits and Construction Value: Village of Algonquin Records

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

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

Grafton Township - Quadrennial (minimum)

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

Village of Algonquin, Illinois

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

	Levy Years									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Village Direct Rates										
General Corporate	\$ 0.5017	\$ 0.4559	\$ 0.4837	\$ 0.4765	\$ 0.4641	\$ 0.4642	\$ 0.4701	\$ 0.4849	\$ 0.4839	\$ 0.5233
Overlapping Rates										
Fire Districts (4)	2.0794	2.1951	2.0966	2.1202	2.0788	2.1485	2.1066	2.1304	2.1466	2.3469
Kane County	0.4529	0.4292	0.3578	0.3467	0.3367	0.3452	0.3322	0.3336	0.3398	0.3730
Kane County Forest Preserve	0.1520	0.1395	0.1270	0.1432	0.1905	0.1747	0.1974	0.1932	0.1997	0.2201
McHenry County	0.6380	0.6725	0.7153	0.7346	0.7278	0.7060	0.6871	0.7014	0.7157	0.7927
McHenry County Conservation	0.1808	0.1734	0.1663	0.1580	0.1490	0.1425	0.1738	0.1732	0.1775	0.1956
Park Districts (3)	0.7403	0.6960	0.7603	0.7577	0.7313	0.7121	0.6862	0.6580	0.6959	0.8241
Public Libraries (3)	0.7244	0.7484	0.7199	0.7104	0.6675	0.8695	0.8456	0.8438	0.8693	0.9916
Road & Bridge (3)	0.2898	0.2769	0.2587	0.2439	0.2335	0.2281	0.2210	0.2237	0.2283	0.2552
Schools (4)	9.5809	9.1332	8.6983	8.9773	9.0626	8.7973	8.5327	8.4892	8.7353	0.9961
Townships (3)	0.3341	0.3217	0.3051	0.2899	0.2753	0.2411	0.2527	0.2522	0.2620	0.2984

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 Six Years Ago**

Taxpayer	2010			2004*		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
In Retail Fund Algonquin Commons LLC	\$ 29,160,373	1	2.71%	\$ 4,092,499	3	0.49%
Rubloff Oakridge Algonquin LLC	9,412,240	2	0.87%	-	-	0.00%
Wal-Mart Real Estate	5,905,718	3	0.55%	3,691,297	7	0.44%
Algonquin Randall LLC	5,365,055	4	0.50%	-	-	0.00%
Target Corporation	4,835,791	5	0.45%	3,983,003	4	0.48%
LTF USA Real Estate LLC	4,086,415	6	0.38%	3,832,384	6	0.46%
Meijer Stores LTD Partnership	3,976,726	7	0.37%	5,184,463	2	0.62%
HD Development of MD Inc.	3,651,457	8	0.34%	3,092,940	8	0.37%
Jewel Food Stores Inc.	3,249,726	9	0.30%	-	-	0.00%
RPA Shopping Center Ph. 1 LLC	3,246,540	10	0.30%	3,050,000	9	0.37%
Woods creek Shopping Center	-		0.00%	7,752,396	1	0.93%
River Point Shopping Center	-		0.00%	3,966,659	5	0.48%
Algonquin Towne Center	-		0.00%	2,849,662	10	0.34%
	<u>\$ 72,890,041</u>		<u>6.76%</u>	<u>\$ 41,495,303</u>		<u>4.97%</u>

Office of the County Clerk

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

* 2004 is the most recent information available.

Village of Algonquin, Illinois

**Property Tax Levies and Collections
Last Ten Levy Years**

Levy Year	Tax Levied	Collected within the Fiscal Year after the Levy	
		Amount	Percentage of Levy
2001	\$ 2,870,821	\$ 2,865,875	99.83%
2002	3,031,293	3,028,404	99.90%
2003	3,613,946	3,611,296	99.93%
2004	3,975,083	3,967,470	99.81%
2005	4,395,747	4,398,561	100.06%
2006	4,831,368	4,826,506	99.90%
2007	5,244,824	5,241,875	99.94%
2008	5,601,009	5,590,021	99.80%
2009	5,601,006	5,596,909	99.93%
2010	5,601,006	N/A	N/A

Data Source

Office of the County Clerk

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

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

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

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

Village of Algonquin, Illinois

**Sales Tax Base and Number of Principal Payers
Taxable Sales by Category - 1% Sales Tax
Last Ten Calendar Years**

	Calendar Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Merchandise	\$ -	\$ -	\$ 137,617	\$ 1,058,941	\$ 1,040,830	\$ 1,134,546	\$ 1,181,247	\$ 1,128,164	\$ 1,196,336	\$ 1,328,129
Food	852,672	1,175,490	1,355,084	541,265	494,863	668,337	792,506	903,485	987,441	957,066
Drinking and Eating Places	241,338	294,464	326,706	380,648	573,544	625,786	632,570	622,420	634,989	592,419
Apparel	1,195	-	7,293	125,721	490,072	549,577	575,270	509,925	455,968	519,440
Furniture & H.H. & Radio	30,980	26,155	43,667	119,671	423,118	629,713	727,475	639,712	528,320	510,346
Lumber, Building, Hardware	326,660	340,652	369,377	349,357	313,334	324,388	341,289	356,094	312,403	303,779
Automobile and Filling Stations	133,934	165,283	305,002	980,034	1,067,088	1,110,196	1,159,194	1,173,824	1,051,475	1,070,284
Drugs and Miscellaneous Retail	311,220	301,959	316,753	391,772	587,094	775,525	870,839	866,106	1,047,092	1,038,679
Agriculture and All Others	194,278	206,661	121,758	142,410	165,951	184,814	192,069	180,022	125,987	110,353
Manufacturers	118,557	99,685	129,754	141,810	135,846	116,495	126,597	109,840	103,914	83,071
Total	\$ 2,210,834	\$ 2,618,726	\$ 3,308,709	\$ 4,057,929	\$ 5,291,741	\$ 6,144,349	\$ 6,599,056	\$ 6,504,882	\$ 6,455,352	\$ 6,525,655
Total Number of Payers	580	700	674	770	906	944	989	825	801	766
Village direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Village home rule sales tax rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.75%	0.75%	0.75%	0.75%	0.75%

Data Source

Illinois Department of Revenue

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

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

Village of Algonquin, Illinois

**Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years**

Fiscal Year	Village Direct Rate	State Rate
2002	1.00%	5.50%
2003	1.00%	5.50%
2004	1.00%	5.50%
2005	1.00%	5.50%
2006	1.00%	5.50%
2007	1.75%	5.50%
2008	1.75%	5.50%
2009	1.75%	6.00%
2010	1.75%	6.00%
2011	1.75%	6.00%

Data Source

Village and County Records

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

Village of Algonquin, Illinois

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities		Business-Type Activities		Total Primary Government	Ratio of Total Outstanding Debt To Equalized Assessed Valuation*	Total Outstanding Debt Per Capita*
	General Obligation Bonds	Capital Leases	General Obligation Bonds	Revenue Bonds			
2002	\$ 8,078,794	\$ -	\$ 2,295,000	\$ 1,520,000	\$ 11,893,794	2.06%	\$ 441.25
2003	7,807,243	-	2,170,000	1,310,000	11,287,243	1.71%	404.78
2004	7,612,841	-	2,050,000	1,095,000	10,757,841	1.44%	363.44
2005	7,202,882	201,819	1,905,000	890,000	10,199,701	1.22%	334.75
2006	9,798,530	142,272	10,750,000	680,000	21,370,802	2.26%	684.74
2007	9,429,767	78,955	10,580,000	460,000	20,548,722	1.98%	658.40
2008	9,016,888	11,600	10,385,000	225,000	19,638,488	1.76%	644.27
2009	8,700,204	-	10,170,000	-	18,870,204	1.63%	619.06
2010	8,365,044	-	9,685,000	-	18,050,044	1.56%	592.15
2011	8,081,752	-	9,220,000	-	17,301,752	1.61%	575.84

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		Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita	
		Service Fund					
2002	\$ 10,373,794	\$ 582,010	\$ 9,791,784	1.69%	\$ 363.26	3	
2003	9,977,243	595,259	9,381,984	1.43%	336.45	1	
2004	9,662,841	489,627	9,173,214	1.23%	309.91	3	
2005	9,107,882	460,691	8,647,191	1.04%	283.84	3	
2006	20,548,530	3,362,628	17,185,902	1.81%	550.65	3	
2007	20,009,767	3,408,084	16,601,683	1.60%	518.80	3	
2008	19,401,888	3,449,882	15,952,006	1.54%	523.33	1	
2009	18,870,204	3,460,655	15,409,549	1.33%	505.53	1	
2010	18,050,044	3,473,130	14,576,914	1.26%	478.21	1	
2011	17,301,752	3,550,824	13,750,928	1.19%	457.66	2	

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, 2011**

Governmental unit	Gross Debt	Percentage Debt Applicable to the Village of Algonquin*	Village of Algonquin Share of Debt
Kane County	\$ 74,790,000	1.95%	\$ 1,458,405
McHenry County	-	-	-
McHenry County Conservation District	142,445,000	8.18%	11,652,001
Kane County Forest Preserve	220,790,866	1.95%	4,305,422
Dundee Township Park District	23,845,990	15.76%	3,758,128
Huntley Park District	16,771,000	9.70%	1,626,787
Dundee Township	11,370,000	15.77%	1,793,049
Algonquin Library	5,385,000	77.61%	4,179,299
Huntley Library	350,000	9.08%	31,780
Schools			
District No. 300	306,186,731	34.82%	106,614,220
District No. 158	73,832,356	9.40%	6,940,241
District No. 509	<u>174,323,261</u>	9.24%	<u>16,107,469</u>
Subtotal, overlapping debt	<u>1,050,090,204</u>		<u>158,466,801</u>
Village of Algonquin direct debt	<u>\$ 17,301,752</u>	100.00%	<u>\$ 17,301,752</u>
Total direct and overlapping debt	<u>\$ 1,067,391,956</u>		<u>\$ 175,768,553</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, 2011

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		
2002	\$ 8,750,460	\$ 3,165,383	\$ 5,585,077	\$ 310,000	\$ 148,775	12.17	
2003	8,398,757	3,285,507	5,113,250	210,000	49,610	19.70	
2004	7,157,358	3,423,976	3,733,382	215,000	43,730	14.43	
2005	8,706,761	3,908,619	4,798,142	205,000	37,710	19.77	
2006	7,701,740	3,732,996	3,968,744	210,000	31,560	16.43	
2007	8,917,226	4,029,257	4,887,969	210,000	24,946	20.80	
2008	9,713,644	4,219,823	5,493,821	235,000	17,246	21.78	
2009	9,286,350	4,645,700	4,640,650	225,000	8,550	19.87	
2010	7,572,436	5,073,600	2,498,836	-	-	-	
2011	7,675,678	4,632,384	3,043,294	-	-	-	

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
2001	24,650	(E)	\$ 578,127,467	\$	23,453	3.8%
2002	26,955	(E)	658,305,942		24,422	5.6%
2003	27,885	(A)	747,072,297		26,791	5.9%
2004	29,600	(E)	834,437,331		28,190	4.8%
2005	30,470	(E)	947,091,750		31,083	4.7%
2006	31,210	(E)	1,038,991,569		33,290	3.3%
2007	30,482	(A)	1,115,890,792		36,608	3.9%
2008	30,482	(E)	1,155,073,386		37,894	5.1%
2009	30,482	(E)	1,157,591,396		37,976	8.6%
2010	30,046	(A)	1,077,620,673		35,866	8.6%

(A) Actual
(E) Estimate

Note: Personal Income data not available.

Information for 2011 not currently available.

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

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

Village of Algonquin, Illinois

Principal Employers Current Year and Nine Years Ago

Employer	2010			2001		
	Employees	Rank	% of Total Village Population	Employees	Rank	% of Total Village Population
School District Number 300*	374	1	2.45%	285	2	4.57%
Village of Algonquin	160	2	1.05%	132	5	2.12%
Kenmode Tool and Engineering, Inc.	135	3	0.88%	125	6	2.00%
Wauconda Tool and Engineering, Inc.	120	4	0.79%	30	12	0.48%
Meyer Material Co.	100	5	0.66%	100	8	1.60%
Duro-Life Corp.	62	6	0.41%	95	9	1.52%
Target Manufacturing Inc.	50	7	0.33%	-	-	0.00%
Coldwell Banker Primus	50	7	0.33%	-	-	0.00%
Algonquin State Bank	40	8	0.26%	50	10	0.80%
Schiffmayer Plastics Corp.	35	9	0.23%	200	3	3.21%
Burnex Corp	30	10	0.20%	-	-	0.00%
Hanson Material Service Corp.	30	10	0.20%	-	-	0.00%
SubCon Mfg. Corp.	30	10	0.20%	-	-	0.00%
Marshall Wolf Automation, Inc	-	-	0.00%	360	1	5.77%
Crystal Die and Mold, Inc	-	-	0.00%	160	4	2.56%
Home Depot	-	-	0.00%	120	7	1.92%
Grecon Manufacturing Inc	-	-	0.00%	40	11	0.64%

Note:

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

Note: Information for 2011 not currently available. Data from 2000 was not available; data from 2001 used for comparison purposes.

Data Source

* Only schools located in the Village of Algonquin

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

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

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

Village of Algonquin, Illinois

**Full-Time Equivalent Employees
Last Ten Fiscal Years**

Full-Time-Equivalent Employees as of April 30

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
Administration	13	15	15	16	17	18	18	22	20	19
Community Development	11	11	11	10	12	12	12	12	12	12
Public Safety										
Police										
Officers	40	41	41	42	46	46	49	50	49	49
Civilians	12	14	14	14	7	7	9	11	11	11
Public Works										
Public Works Administration	7	7	7	8	9	9	7	8	7	6
Streets Department	12	12	12	13	14	14	15	16	16	14
Parks	12	12	13	13	14	14	14	17	17	16
Internal Services	3	4	5	4	5	5	7	9	9	9
Water										
Water and Sewer	18	19	20	20	20	19	22	22	22	19
Pool	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4	5	5
Total	128	135	138	140	144	144	153	171	168	160

Data Source

Village Finance Department

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

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

Village of Algonquin, Illinois

**Operating Indicators
Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
Community Development										
Building permits issued	1,703	2,043	2,028	2,403	1,913	2,065	1,893	3,366	2,092	1,854
Building inspections conducted	15,600	9,800	9,911	12,414	9,463	6,517	4,290	5,720	4,036	2,756
Property maintenance inspections conducted	1,040	954	1,165	1,219	1,943	2,688	2,452	3,810	3,483	3,552
Public Safety										
Police										
Physical arrests	987	1,015	776	786	279	946	703	939	777	660
Parking violations	617	1,320	576	869	548	1,142	1,243	992	711	1,375
Traffic violations	8,078	9,237	5,940	6,075	2,057	6,394	6,684	6,611	4,524	4,311
Public Works										
Streets										
Street resurfacing (miles)	6.24	1.45	5.60	0.67	1.12	0.80	1.22	0.95	2.50	2.77
Potholes repaired	325	270	300	280	210	330	370	450	954	833
Parks and Recreation										
Park sites	17	18	19	20	20	21	22	22	22	22
Developed park acreage	199	234	247	251	251	253	155	155	155	155
Open space	154	197	273	273	273	273	512	512	512	512
Water										
New Connections (tap-ons)	632	296	365	440	400	400	21	20	5	5
Average daily consumption*	2,740	2,930	2,810	2,808	3,003	2,899	2,946	3,000	2,760	2,590
Peak daily consumption*	6,342	6,154	4,443	4,895	5,610	4,679	4,428	4,200	4,671	3,924
Wastewater										
Average daily sewage treatment*	2	2	3	3	3	3.2	3.0	3.5	3.1	3.0

* (thousands of gallons)

** (millions of gallons)

Data Source

Various Village departments

Village of Algonquin, Illinois

**Capital Asset Statistics
Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Geographic Patrol Areas	5	5	5	5	6	6	6	6	6	6
Public Works										
Streets										
Streets (miles)	N/A	N/A	200	248	248	249	249	249	249	286
Streetlights	100	130	130	160	160	228	228	228	228	228
Parks and Recreation										
Acreage	353	431	520	524	524	526	647	667	667	667
Playgrounds	13	14	15	16	16	17	18	18	18	18
Sites with baseball diamonds	8	9	9	9	9	9	9	9	9	9
Sites with soccer fields	9	10	10	11	11	11	11	11	11	11
Sites with basketball courts	10	11	12	13	13	13	14	14	14	14
Sites with tennis courts	4	4	4	4	4	4	5	5	5	5
Water										
Water mains (miles)	N/A	102	130	150	160	168	168	159	159	170
Fire hydrants	N/A	1,573	1,650	2,050	2,180	2,200	2,207	2,049	2,153	2,176
Storage capacity*	2.640	2.640	2.640	2.640	3.390	3.390	3.390	3.390	3.390	3.390
Wastewater										
Sanitary sewers (miles)	N/A	99	112	127	135	135	135	134	136	140
Treatment capacity*	3.030	2.799	3.027	2.872	2.834	2.980	2.828	5.000	5.000	5.000

Data Source

Various Village departments

* (thousands of gallons)