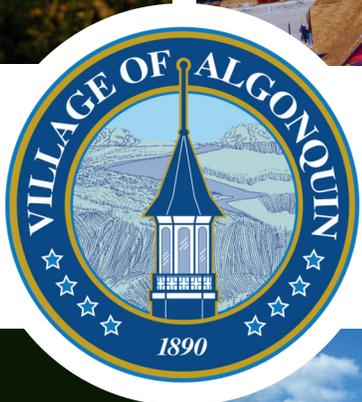




**CONTENTS**

Message from Village President	1
Reader's Guide	2
About Our Community	3
Statement of Net Position	4
Statement of Activities	5
Revenues	6
Expenses	7
Revenue and Expense Trends	8
Outstanding Debt	9
About PAFR	10



VILLAGE OF ALGONQUIN, ILLINOIS  
**POPULAR ANNUAL FINANCIAL REPORT**  
 Fiscal Year Ended April 30, 2024



## Mission Statement

The mission of the people of Algonquin is to foster a harmonious, distinctive community with a strong sense of place, preserving its ecological and historical richness, providing a safe and comfortable environment, through a responsible use of community resources, and developing ownership and pride in the community through significant citizen involvement in all civic, social, and cultural affairs.

To this end, we will provide for the needs of today, prepare for the demands of tomorrow, and Remain mindful and respectful of the past.

## Our Values

### Respect

We are committed to fairness, inclusion, justice, compassion, and equal outcomes for all. We are open-minded and treat all individuals with respect and dignity.

### Integrity

We are committed to the highest ideals of honor and integrity in all public and professional relationships.

### Innovation

We are committed to a forward-thinking environment that embraces change and supports learning, creativity, calculated risks, and continuous improvement.

### Collaboration

We are committed and accountable to organizational success and celebrate our shared dedication to public service.

### Stewardship

We are committed to our natural, fiscal, and social resources and will care for such with transparency and openness, further considering how our work will be sustained by future generations.



*Photo credit: Roger Nowicke*

## A Message from our Village President

The Village of Algonquin is excited to share our Popular Annual Financial Report (PAFR) with you. This report gives you a quick overview of our village's financial health and our main goals. The PAFR takes information from our Annual Comprehensive Financial Report and condenses it into a shorter, easy-to-read document. You don't need to be a finance expert to understand it—it's meant for everyone, including our residents and others interested in Algonquin.

As the Village Board, we take our financial responsibilities seriously. We work hard to create policies that are financially responsible and provide good value for our community. This means we aim to meet today's needs while also making smart investments in our operations and infrastructure for a successful future.

If you haven't already, we encourage you to visit our Transparency Portal on our website at [www.algonquin.org/transparency](http://www.algonquin.org/transparency). There, you can find detailed information about the village's finances, including our budgets, audits, expenses, reports from the Treasurer, and more. If you have specific questions about these reports, you can contact our Finance staff online at [www.algonquin.org/finance](http://www.algonquin.org/finance) or by phone at 847-658-2700.

We're here to keep you informed and make our financial information accessible to everyone.

Sincerely,



Debby Sosine  
Village President



Government Finance Officers Association

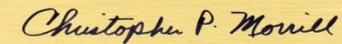
### Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

Village of Algonquin  
Illinois

For its Annual Financial Report  
For the Fiscal Year Ended

April 30, 2023



Executive Director CEO

## A Reader's Guide to Public Financial Reports

Government financial documents might seem overwhelming, but they're essential tools for understanding how your community manages public funds. This guide simplifies critical concepts like reading financial statements and explains the value of comprehensive reports, empowering you to better engage with local government finances.

### Understanding the Statement of Net Position

The **Statement of Net Position** provides a snapshot of a government's financial health at a specific point in time—its bottom line. It summarizes:

- **Assets:** Resources the government owns (e.g., cash, investments, infrastructure).
- **Liabilities:** What the government owes (e.g., short-term debts, long-term bonds).
- **Net Position:** The difference between assets and liabilities, reflecting overall stability.

A growing net position signals strong financial health, while liabilities outpacing assets may indicate financial strain. Trends such as increasing assets or decreasing liabilities often point to effective financial management.

### Understanding the Statement of Activities

The **Statement of Activities** captures a government's financial performance over a fiscal year, similar to an income statement. It outlines:

- **Revenues:** Income from taxes, grants, and service fees.
- **Expenses:** Costs for running programs, maintaining infrastructure, and providing services.

The difference between revenues and expenses reveals whether the government operated at a surplus or deficit. This statement also identifies which services generate income versus those that require subsidies, offering insights into the allocation of public funds and program effectiveness.

## The Value of the Popular Annual Financial Report (PAFR)

The Popular Annual Financial Report (PAFR) bridges the gap between the Village's finances and the community, offering an accessible overview of how public funds are managed. By summarizing key information from the Annual Comprehensive Financial Report (ACFR), the PAFR provides a clear and concise look at the Village's financial health. The PAFR offers these key insights:

- **Financial Highlights:** A summary of the Village's financial position, including assets, liabilities, and changes in net position.
- **Revenue and Expense Trends:** Insights into how income sources, like property taxes, and spending patterns have changed over time.
- **Outstanding Debt:** An overview of long-term obligations and strategies for managing them to support ongoing investments.

By bridging the gap between detailed financial reports and the community, the PAFR builds transparency, trust, and informed engagement. It serves as a valuable resource for anyone seeking to understand how the Village supports its residents through sound financial stewardship.

### Common Terms in Financial Reporting

Here are some other key terms commonly found in financial reports.

- **Capital Assets:** Long-term investments in infrastructure, such as roads, buildings, and equipment, used to provide public services.
- **Deferred Inflows/Outflows:** Funds or costs that will be recognized as revenue or expenses in future periods.
- **Fund:** A financial account used by a public body for operations, capital projects, or specific services.
- **Fund Balance:** The remaining money in a fund after all expenditures, often reserved for future needs or emergencies.
- **General Obligation Bonds:** Loans backed by the government's credit, typically used to finance large projects like infrastructure improvements.
- **Program Revenues:** Income earned from specific government services, such as utility fees or permits.

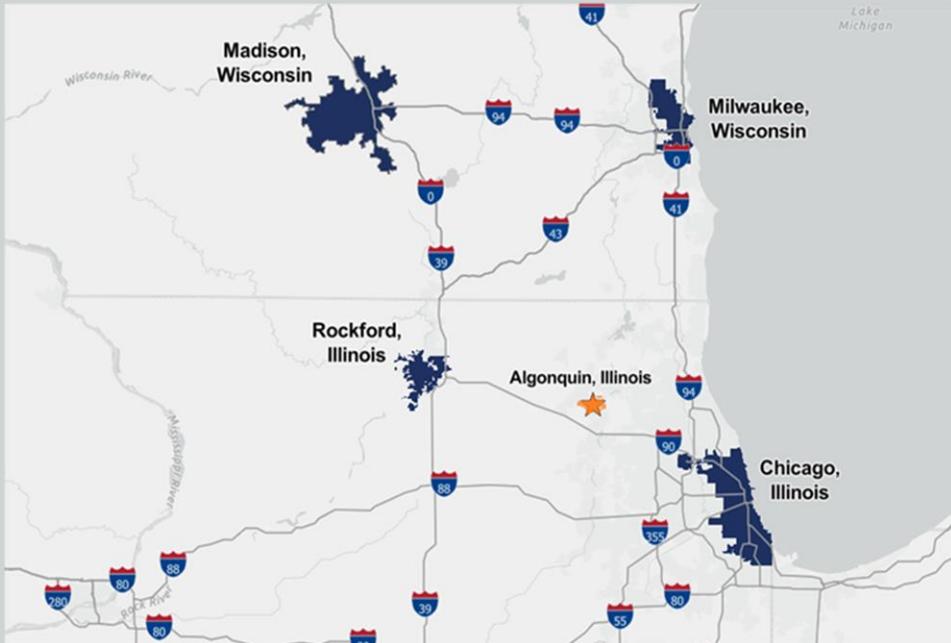
## Learn About Our Community

### Community Overview

Incorporated.....	February 25, 1890
Government Type.....	Trustee-Village
Land Area.....	12.3 square miles
Population .....	30,134
Households.....	11,297
Median Age.....	41.1 years
Full-time Employees .....	143
Median Home Value.....	\$305,900
Median Household Income .....	\$129,658
Population with Bachelor's Degree .....	43.5%
Unemployment Rate .....	3.9%
Poverty Rate .....	4.4%

Sources: United States Census Bureau, and Illinois Department of Economic Security, 2018-2023. Village of Algonquin Annual Comprehensive Financial Report 2023-2024.

### Convenient Access to Key Regional Economic Centers



## Algonquin's Government

Algonquin is formally organized under the Trustee-Village form of government, and combines the strong political leadership of elected officials with the strong professional experience of an appointed local government administrator. The Board consists of one President, six Trustees, and one Village Clerk, elected at-large to serve overlapping four-year terms.



From left to right: Fred Martin, Village Clerk; Brian Dianis, Village Trustee; Maggie Auger, Village Trustee; Jerry Glogowski, Village Trustee; Debby Sosine, Village President; John Spella, Village Trustee; Laura Brehmer, Village Trustee; and Bob Smith, Village Trustee.

## Major Accomplishments & Initiatives

Village staff, following specific goals of the Village Board and Village Manager, have been involved in a variety of projects throughout the year. These reflect the Village's commitment to ensuring that citizens are provided cost effective and quality services. Some notable items from the fiscal year include:

- The Longmeadow Parkway Bridge Corridor opened, featuring a toll-free bridge that enhances regional transport and connectivity.
- The Village earned the Government Finance Officers Association (GFOA) Triple Crown, recognizing excellence in financial reporting, budgeting, and transparency.
- NorthPoint Development completed Phase I of the Algonquin Corporate Campus, adding two buildings totaling over 700,000 square feet.
- Park improvement projects revitalized amenities at James B. Wood and Holder Park, creating vibrant community spaces.
- The Village received its 27th consecutive Tree City USA recognition, showcasing its commitment to urban forestry.

## Statement of Net Position

While the provided Statement of Net Position offers a condensed overview, it highlights the Village's net position—its financial bottom line. A more comprehensive breakdown can be found in the Village's Annual Comprehensive Financial Report. This concise summary focuses on total assets and liabilities, providing a high-level comparison with previous years and serving as a valuable indicator of financial trends over the past two years.

The Village's activities are presented in two following categories:

- **Governmental activities:** These are the basic services the Village provides, like administration, police, maintaining streets and parks, and more. These services are mainly funded through property taxes and shared revenues from the state, like state sales and income taxes.
- **Business-type activities:** These involve revenue-generating operations, such as charges for water and sewer utilities, which are funded by the users through fees and charges.

The largest portion of the Village's net position reflects its investment in capital assets such as land, buildings and improvements, vehicles, machinery and equipment, and construction, less any outstanding debt used to acquire those assets. The Village uses these capital assets to provide services to its citizens and these assets are not available for future spending.

**Following the Fiscal Year Ended April 30, 2024, the Village's net position increased \$20.8 million, 7 percent, following increases in both current and capital assets.** The Village's Statement of Net Position is also impacted by several other transactions.

**The total net position for governmental activities experienced an increase of \$14.5 million.** Total assets rose by \$19.4 million, driven by \$15.1 million in ongoing and completed construction projects. The Tunbridge Subdivision Improvement was completed this fiscal year, with substantial progress on the Souwanas and Schuett Street and Utility Improvements, Downtown Streetscape, Bunker Hill Road, Tunbridge Street Improvements, and Willoughby Farms Section 1 projects. Current and other assets increased by \$4.3 million, primarily due to a \$1.8 million rise in cash from high-yield interest rates and a \$1.3 million growth in property tax from residential and commercial development.

**The net position for business-type activities increased by \$6.3 million, with total assets rising by \$4.3 million.** This growth primarily stemmed from an additional \$4.1 million in high-interest local bank accounts. Capital assets saw a \$1.5 million increase, driven by \$3.8 million in ongoing construction and \$1.6 million in completed projects such as water main projects at Souwanas & Schuett, Highland Avenue, and Towne Park, offset by \$4.1 million in depreciation.

Statement of Net Position for the Fiscal Year Ended April 30, 2024

	2024	2023
<b>Assets</b>		
Current and other assets	\$74,074,826	\$66,967,470
Capital assets, net	\$298,651,014	282,033,005
<b>Total Assets</b>	<b>\$372,725,840</b>	<b>\$349,000,475</b>
<b>Deferred Outflow of Resources</b>		
Deferred outflows	\$8,791,238	\$10,383,045
<b>Total Assets &amp; Deferred Outflows</b>	<b>\$381,517,078</b>	<b>\$359,383,520</b>
<b>Liabilities</b>		
Current and other liabilities	\$12,151,902	\$7,192,820
Long-term liabilities	\$42,730,719	46,868,240
<b>Total Liabilities</b>	<b>\$54,882,621</b>	<b>\$54,061,060</b>
<b>Deferred Inflows of Resources</b>		
Deferred inflows	\$13,052,397	\$12,585,200
<b>Total Liabilities &amp; Deferred Inflows</b>	<b>\$67,935,018</b>	<b>\$66,646,260</b>
<b>Net Position</b>	<b>\$313,582,060</b>	<b>\$292,737,260</b>

**The Village's liabilities increased by \$0.8 million overall during the fiscal year.** For governmental activities, total liabilities rose by \$2.9 million, mainly due to a \$4.1 million increase in payables from construction work completed before year-end, which will be covered by bond proceeds post-year-end. This increase was partially offset by \$1.8 million allocated to reduce long-term debt. In contrast, business-type activities experienced a \$2.1 million decrease in total liabilities, driven by a \$2.3 million reduction in non-current liabilities from debt payments, offset by minor adjustments of \$0.2 million related to pension, post-employment benefits, and accounting changes.

**The Village of Algonquin remains financially strong, with fiscal policies supporting continued investment in community programs and services.**

## Statement of Activities

The Statement of Activities, or the Village’s income statement, captures all financial activity for the fiscal year ended April 30, 2024, showing changes in net position resulting from that activity. Over time, these changes can indicate whether the Village’s financial position is improving or declining. A summarized version of the detailed statement from the Village’s Annual Comprehensive Financial Report is provided below.

### Statement of Activities for the Fiscal Year Ended April 30, 2024

	2024	2023
<b>Revenues</b>		
Program revenues	\$30,115,977	\$23,128,125
General revenues	36,012,788	32,618,010
<b>Total Revenues</b>	<b>\$66,128,765</b>	<b>\$55,746,135</b>
<b>Expenses</b>		
Governmental activities	\$31,198,753	\$31,426,747
Business-type activities	14,085,212	11,972,620
<b>Total Expenses</b>	<b>\$45,283,965</b>	<b>\$43,399,367</b>
<b>Changes in Net Position</b>		
Net Position (beginning of year)	\$292,737,260	\$280,390,493
Change in Net Position	20,844,800	12,346,767
<b>Net Position (end of year)</b>	<b>\$313,582,060</b>	<b>\$292,737,260</b>

The Village’s total net position increased over the beginning balance, as reflected in the Statement of Activities for the fiscal year.

Total revenues increased by \$10.4 million, mainly from a \$5.8 million rise in governmental capital grants, including a cost-match grant from the Illinois Department of Transportation and three grants from the Illinois Department of Commerce and Economic Opportunity (DCEO). Additionally, \$2.9 million came from higher service charges and new development in business-type activities. Governmental activities saw growth in taxes, intergovernmental contributions, and investment income, though these gains were partly offset by a \$1.7 million decline in business-type capital grants, following a \$3.3 million DCEO grant for the Waste Water Treatment Plant Phase 6B project in the prior year. The year also included a \$1.8 million donation from private development.

Total expenses rose by \$1.9 million, or 4 percent, driven by a \$2 million increase in business-type expenses for the Copper Oaks Water Tower repair. General government expenses were stable with a slight decrease. Other capital infrastructure projects contributing to the Village’s expenses included:

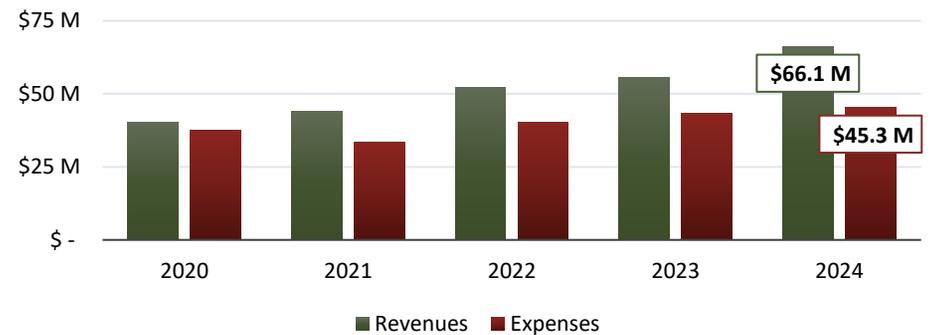
- **Souwanas & Schuett Street & Utility Improvements:** \$4.8 million
- **Bunker Hill Drive:** \$1.4 million
- **Tunbridge Street Improvements:** \$1.6 million
- **Presidential Park Reconstruction:** \$1.2 million
- **Willoughby Farms Section 1:** \$1.2 million

Moreover, significant investments continued in Old Town Algonquin:

- **Downtown Streetscape Utilities Improvements:** \$3.8 million

A tax increment financing (TIF) district was established in Old Town Algonquin to fund essential infrastructure improvements. **The TIF district supports development projects, stimulates private investment, and revitalizes the Village’s historic and pedestrian-friendly business district** by allocating property tax revenue from rising property values within the district.

Comparing Revenues and Expenses through the Years

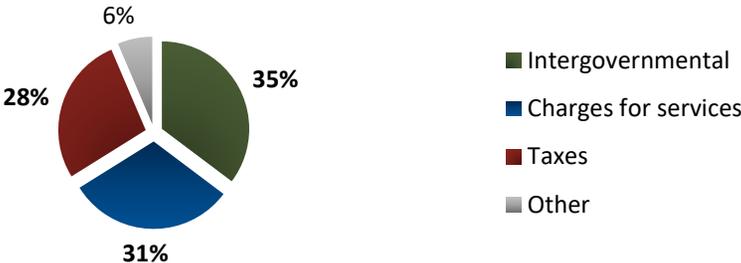


**Revenues and expenses have remained stable over the past five years.** Recently, however, revenue growth has been driven by operating and capital grants from programs like the American Rescue Plan Act, the Illinois Department of Transportation, and the Illinois DCEO.

# Revenues

The Village Board and management place a high priority on sustaining long-term financial health by strategically diversifying revenue sources and strengthening key income streams. This approach builds a stable foundation for community initiatives and supports lasting financial stability.

Total Primary Government Revenue by Source



Over 90 percent of the Village's revenue is derived from three primary sources:

- **Intergovernmental Funds:** state sales and income taxes
- **Local Taxes:** property and home rule sales taxes
- **Charges for Services:** primarily water and sewer utility fees

A History of Algonquin's Equalized Assessed Valuation



The Village's Equalized Assessed Valuation (EAV), which measures the total assessed property values, increased by nearly 9 percent from the previous year. **This marks the fourth consecutive year the Village has had an assessed valuation exceeding \$1.0 billion.**

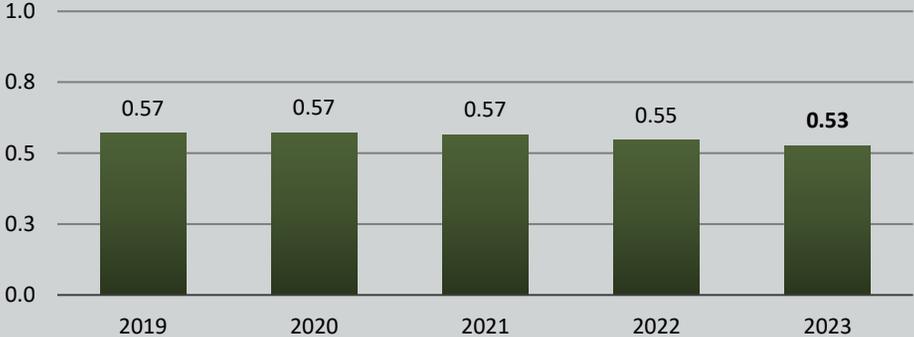
# Breaking Down Property Taxes



Category	Percentage
Schools	60%
Fire	11%
County	9%
Village	6%
Other	14%

Local property tax bills in Algonquin consist of contributions from various taxing bodies. **The Village's share accounts for 6 percent, meaning that for every dollar paid in property tax by residents, the Village receives six cents.** The remaining portion of the property tax bill includes contributions for school districts, fire protection districts, counties, and other taxing bodies like the library districts, townships, conservation districts, and community colleges.

Looking Back at Algonquin's Historic Tax Rates

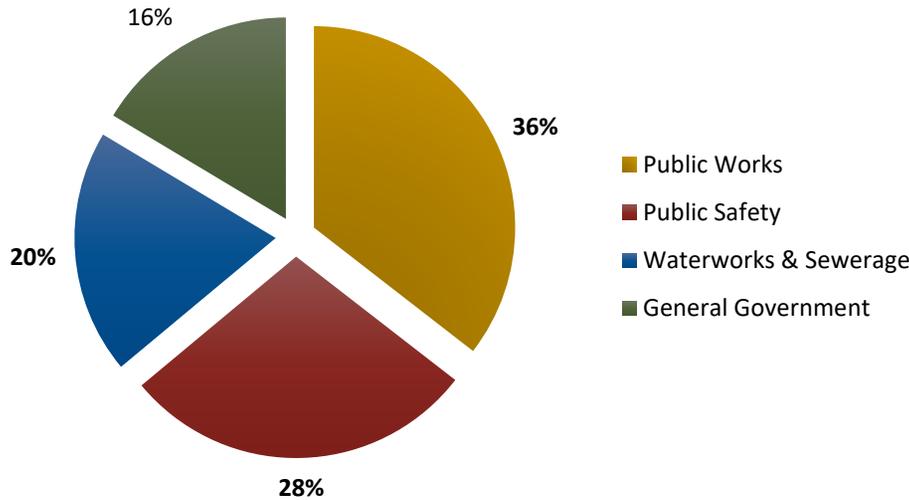


**Property tax rates have continued to decline over the past five years** due to recent property tax levy freezes, along with growth from new construction and increases in equalized assessed valuation.

## Expenses

The chart below illustrates the uses and percentages of the Village’s expenses across all funds totaling \$45.3 million for the fiscal year ending 2024. **Most of the costs are associated with Public Works (operations, maintenance, and construction) and Public Safety (police)**, while the remaining portion is attributed to Waterworks and Sewerage and General Government (administration).

Total Primary Government Expense by Source



**General Government** expenses are incurred by the Village’s administrative departments, including the Village Manager’s Office, Finance, Human Resources, Innovation & Technology, Recreation, Community Development and other non-departmental costs.

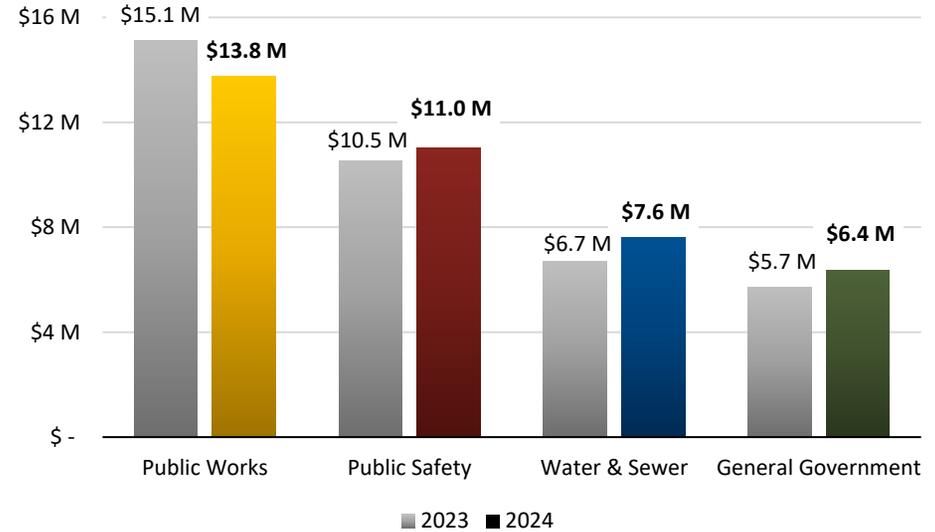
**Public Safety** expenses are those incurred by the Village to provide police services to the public.

**Public Works** expenses are related to the design, construction, maintenance, and operation of all roadways, sidewalks, trails, parks, forestry, drainage, and related infrastructure within the Village.

**Waterworks and Sewerage** expenses are those incurred by the Village to provide:

- Pumping, treatment, and distribution of potable water.
- Sanitary sewer conveyance and treatment of wastewater.

Annual Comparison of Total Primary Government Expenses



**The year-to-year comparison of expenses shows varied changes across primary government expense categories.** Public Works expenses decreased by \$1.3 million to \$13.8 million, due to reduced spending on commodities and contractual services. Public Safety increased to \$11.0 million, driven by increased personnel costs and inflation of common expenditures. Water and Sewer increased from \$6.7 million to \$7.6 million, reflecting maintenance and service expansion. General Government increased by \$0.6 million to \$6.4 million, primarily due to new sales tax rebate agreements initiated during the fiscal year.

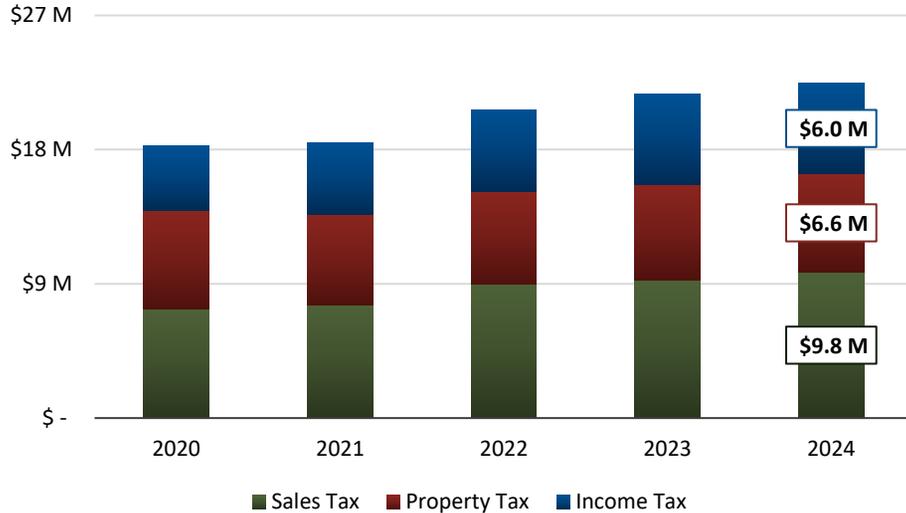
Government-wide changes to capital assets include modifications in how a government entity accounts for these assets, involving adjustments to valuation methods, accounting standards, or corrections of errors. **The purpose of these adjustments is to ensure accurate financial reporting reflecting the government's financial position and performance.**

## Revenue and Expense Trends

### Revenue Trends

The General Fund, which serves as the Village’s primary checking account to fund day-to-day operations, is composed of several sources of revenue (or income). Similar to a typical household, there are three revenue streams that account for majority of the Village’s overall revenue. This includes sales tax, property tax, and income tax. These revenue sources account for nearly 85 percent of General Fund revenue.

Annual General Fund Revenue by Source

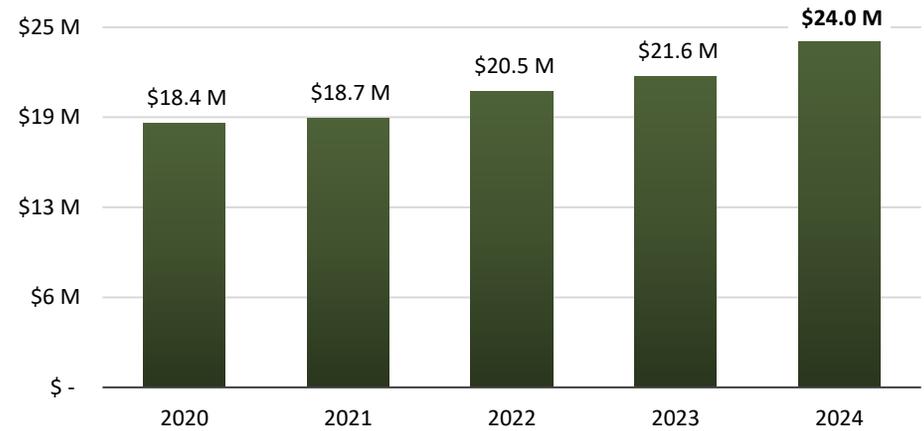


In the five-year period shown above, the three major revenue sources in aggregate are increasing, with annual revenue receipts of approximately \$22.4 million in 2024. Sales tax, the largest of the three revenue sources, increased 5 percent from the previous year. The increase in sales tax can be attributed to continuation of the Leveling the Playing Field for Illinois Retail Act, which captures sales tax from remote retail transactions. Property tax revenue increased 4 percent due to new growth during the year. Over the past three years, income tax has shown significant improvements and has begun to stabilize.

### Expenditure Trends

During the fiscal year, the Village expended \$24.0 million from the General Fund, which excludes transfers to other funds. **Of this total, approximately \$11.4 million, or 48 percent, was allocated toward police and public safety operations.** General Government was the next largest operating expenditure category in the General Fund, which expended approximately \$6.6 million for day-to-day maintenance operations in the Village.

Historic Total General Fund Expenditures



Over the depicted five-year span, General Fund expenditures (excluding transfers) have increased 6 percent annually through 2024. The increases were notable in General Government (\$1.2 million) and Capital Outlay (\$1.2 million) due to government-wide adjustments in capital assets compared to the previous year. Additionally, Public Safety expenditures rose by \$0.6 million due to increases in personnel costs and adjustments in police pension expenses.

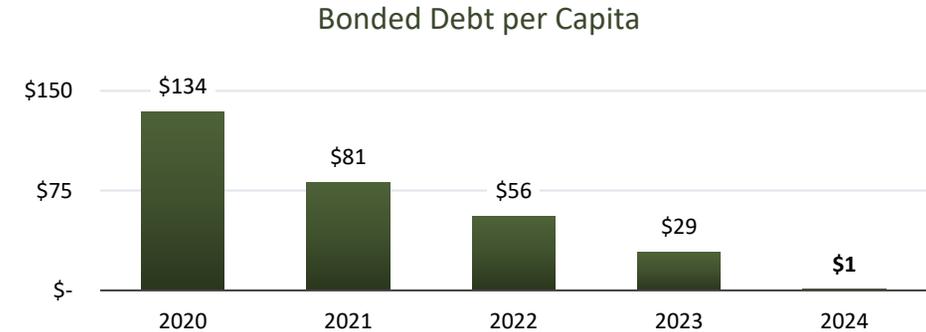
Personnel expenditures—including salaries, health insurance, pensions, Social Security/Medicare, and related benefits—constitute the largest expenditure category in the General Fund, making up approximately 55 percent of total expenditures. This year, personnel expenditures increased by \$0.6 million, or five percent, primarily due to planned salary adjustments and additional staffing to support programs and initiatives.

### Outstanding Debt

As of April 30, 2024, the Village held a cumulative long-term outstanding debt of \$24.1 million, with \$1.9 million becoming due within the upcoming year. The long-term debt of the Village is attributed to general obligation bonds, low-interest loans secured through the Illinois Department of Environmental Protection (IEPA), and other long-term liabilities.

### General Obligation Bonds

The Village finances major projects like facility and infrastructure improvements through general obligation bonds, backed fully by its credit. These bonds, covering both governmental and business-type funds, include the Wastewater Treatment Facility expansion (Bond Series 2013), set for full repayment by April 2025 using water and sewer utility revenues. Additionally, in June 2024, the Village issued \$14.8 million in general obligation bonds (Bond Series 2024) for enhancements in Willoughby Farms Subdivision and renovations at Presidential Park and Towne Park, with an expected payoff of December 2036.

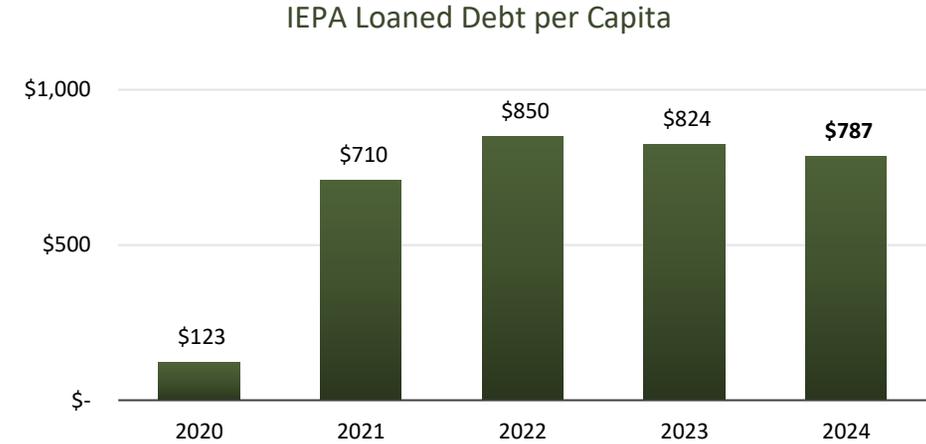


The graphic above shows the Village's bonded debt per capita for Bond Series 2013, which has decreased 99 percent over the past five years. This demonstrates the Village's ability to effectively manage debt service costs with current revenues, indicating increased financial flexibility. Despite this trend, the bonded debt per capita is expected to rise in following years as the Village begins repayment for Bond Series 2024, reflecting continued investment in the community's infrastructure.

The Village maintains an outstanding "AAA" rating for its general obligation bonds, as reaffirmed by Standard & Poor's in 2024. **The AAA rating is the highest possible rating the agency provides, and indicates a minimal risk to investors and achieves cost-savings to the Village via lower interest rates.** Achieving this financial success is a result of the Village Board's commitment to smart financial management, including efforts to diversify revenue sources and maintain strong reserves in the General Fund.

### Illinois Environmental Protection Agency (IEPA) Loans

During recent fiscal years, the Village obtained funding for capital improvements through the IEPA low-interest loan program. These capital projects include additional improvements to the Wastewater Treatment Facility and other water and sewer improvements.



An increase in the Village's loaned debt per capita for the IEPA loans has resulted from the loans acquired for these capital improvements. However, loaned debt per capital has started to decrease as repayment continues. The payable balances on the debt service for all three loans as of April 30, 2024 totaled \$23.4 million. **By obtaining the loans, the Village can spread out the expenses of the capital improvements across an extended period of time.** By distributing the costs of capital improvements, the Village can effectively handle additional financial commitments and undertake further capital projects as necessary.

## About the Popular Annual Financial Report

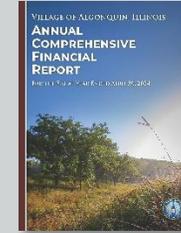
We are proud to present the Village of Algonquin Popular Annual Financial Report (PAFR) for the fiscal year ended April 30, 2024. The purpose of the PAFR is to provide a user-friendly summary of the financial position of the Village of Algonquin and other interesting information for citizens who want a better understanding of the Village's finances. The financial information in the PAFR is taken from the Village's Annual Comprehensive Financial Report (annual report or audit). The annual report outlines the Village's financial position and operating activities each fiscal year presented in conformity with generally accepted accounting principles (GAAP) and includes financial statements audited by Sikich, LLP, an independent firm of certified public accountants. The auditors' report concluded that the financial statements fairly reflect the financial condition of the Village in all material respects.

While the numbers in the PAFR come from an audited source, they are presented in a summarized, unaudited non-GAAP format that is more accessible to the public. Citizens who wish to review the audited, GAAP-based, full disclosure financial statements can refer to the Village's annual report available on the Village's website at [www.algonquin.org/transparency](http://www.algonquin.org/transparency) or contact the Village at 2200 Harnish Drive, Algonquin, IL 60102. For more information, please contact Michael Kumbera, Deputy Village Manager/Chief Financial Officer, at [michaelkumbera@algonquin.org](mailto:michaelkumbera@algonquin.org) or Amanda Lichtenberger, Deputy Chief Financial Officer, at [AmandaLichtenberger@algonquin.org](mailto:AmandaLichtenberger@algonquin.org).



Local first responders attended the Holder Park ribbon-cutting, celebrating upgrading playground equipment, refurbished baseball backstop and fencing, and an updated basketball court.

## Learn More About Algonquin



If you want to explore more about the Village, you can access these documents and others like Treasurer's reports, water quality reports, interactive data dashboards, and much more online at [www.algonquin.org/transparency](http://www.algonquin.org/transparency).

### Connect with Us Online via...

#### Village Website

At the Village website, [www.algonquin.org](http://www.algonquin.org), visitors may...

- Make payments for building permits, municipal citations, and water and sewer utility bills.
- Review official documents, including budgets, audits, plans, and community surveys.
- Access meeting agendas and minutes for the Village Board, Committee of the Whole, and Village commissions.
- Submit materials for permit applications and Freedom of Information Records Request forms.

#### Algonquin e-News

Subscribe to the Algonquin e-News for monthly updates from the Village at [www.algonquin.org/e-news](http://www.algonquin.org/e-news).

#### Social Media

