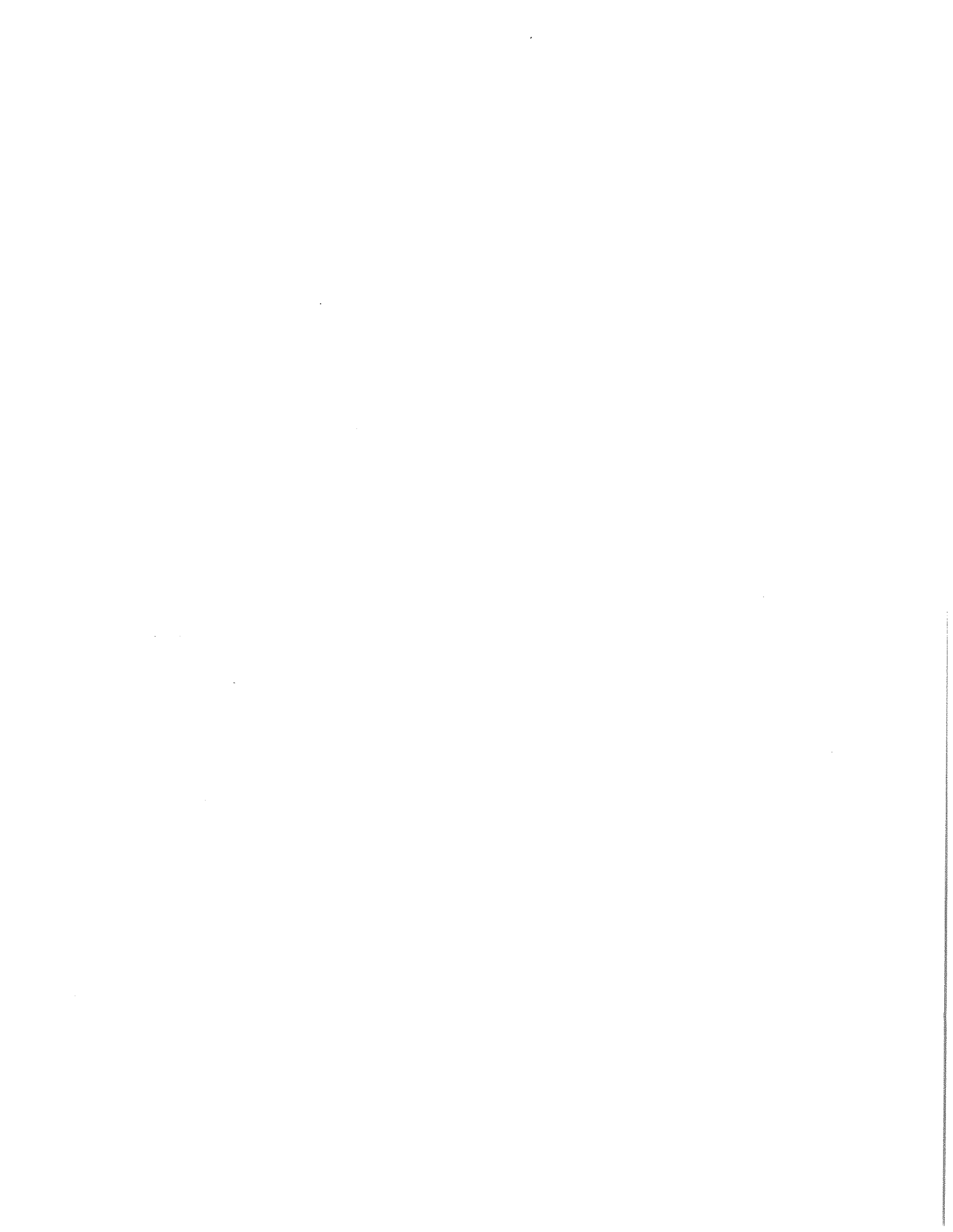


VILLAGE OF BOLINGBROOK, ILLINOIS

ANNUAL FINANCIAL REPORT

April 30, 2006

Prepared by Finance Department
Antonette Sommerville
Director of Finance



VILLAGE OF BOLINGBROOK, ILLINOIS

April 30, 2006

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VILLAGE OF BOLINGBROOK, ILLINOIS

April 30, 2006

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor
and Members of the Board of Trustees
Village of Bolingbrook, 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 Bolingbrook, Illinois, ("Village"), as of and for the year ended April 30, 2006, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

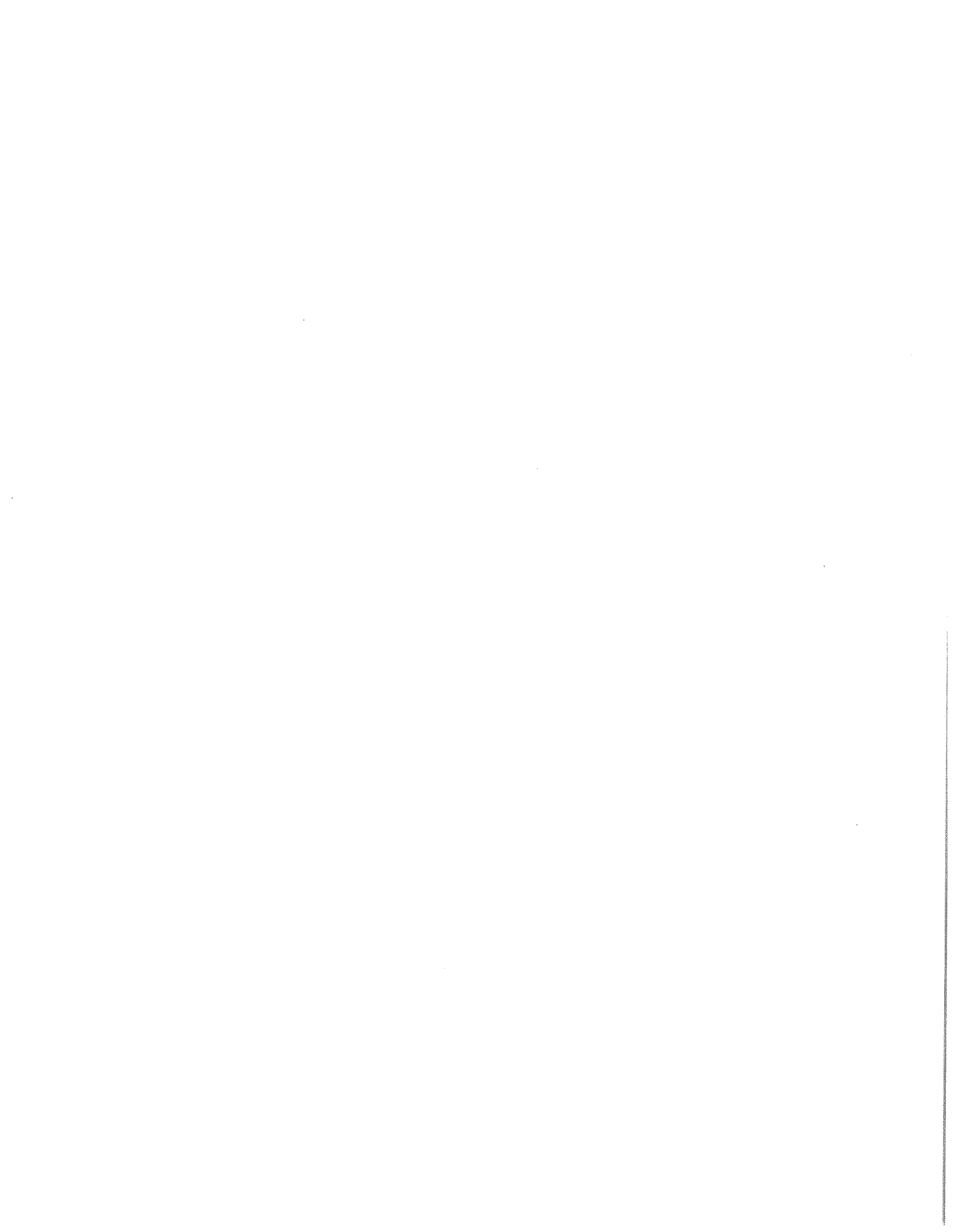
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village, as of April 30, 2006, and the respective changes in financial position and cash flows, where applicable, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis, Budgetary Comparison Schedule, Schedules of Funding Progress and Schedules of Employer Contributions as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. 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 do not express an opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The accompanying Combining Financial Statements as listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Village. The Combining Financial Schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Crowe Chizek and Company LLC
Crowe Chizek and Company LLC

Oak Brook, Illinois
November 21, 2006



**VILLAGE OF BOLINGBROOK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2006**

As management of the Village of Bolingbrook ("Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2006. 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, it should be read in conjunction with the Villages financial statements.

Financial Highlights

- The Village's Total Net Assets are \$388,265,941. During the fiscal year ending April 30, 2006, the governmental net assets of \$190,314,147 increased by \$9,177,911 or 4.8% and the business-type activities net assets of \$188,773,883 increased by \$ 561,885 or 0.3%.
- The governmental activities revenue and net transfers was \$85,619,519. The expenses were \$76,441,608.
- The business-type activities revenue and net transfers was \$19,115,954. The expenses were \$18,554,069.

Overview of the financial statements

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business. The statement of net assets presents information on all of the Village's assets and liabilities, with the difference between the two reported as net assets. Over time increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The statement of activities presents information showing how the Village's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The Governmental Activities reflect the Village's basic services, including general government, public safety, public works, sanitation, capital projects and culture and recreation. Property taxes, shared state taxes and local utility taxes finance the majority of these services. The Business-Type Activities reflect private sector type operations, where the fee for service typically covers all or most of the cost of operations, including depreciation.

**VILLAGE OF BOLINGBROOK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2006**

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds and fiduciary funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Village's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains many individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and the debt service fund, both of which are considered to be major funds. Information from the Village's other governmental funds is combined into a single column presentation. Individual fund information for these non-major governmental funds is provided elsewhere in the report.

The Village maintains one type of proprietary fund (enterprise funds). Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its environmental, golf course and airport operations. Proprietary funds provide the same type of information as the government-wide financial statements. The proprietary fund financial statements provide separate information for the waterworks and sewage fund, golf course fund and airport development fund, all of which are considered to be major funds of the Village.

Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is similar to that used by proprietary funds.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements.

**VILLAGE OF BOLINGBROOK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2006**

Other Information

In addition to the basic financial statements this report also includes certain required supplementary information related to budgetary information and the Village's progress in funding its obligation to provide pension benefits to its employees. Non-major fund information can be found immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Assets

The following chart reflects the condensed Statement of Net Assets (in millions):

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2006	2005	2006	2005	2006	2005
Assets:						
Current & Other Assets	\$ 82.5	\$ 73.6	\$ 8.1	\$ 10.7	\$ 90.6	\$ 84.3
Capital Assets	288.6	253.2	186.5	187.0	475.1	440.2
Total Assets	371.1	326.8	194.6	197.7	565.7	524.5
Liabilities:						
Current Liabilities	18.1	17.8	3.2	6.9	21.3	24.7
Long-Term Liabilities	153.5	141.2	2.7	3.0	156.2	144.2
Total Liabilities	171.6	159.0	5.9	9.9	177.5	168.9
Net Assets:						
Invested in Capital						
Assets, Net,	139.2	139.3	184.0	184.1	323.2	323.4
Restricted	29.6	26.8	-	-	29.6	26.8
Unrestricted	30.7	24.2	4.7	4.1	35.4	28.3
Total Net Assets	\$ 199.5	\$ 190.3	\$ 188.7	\$ 188.2	\$ 388.2	\$ 378.5

The Village's combined net assets increased by \$9.7 million during the year - increasing from \$378.5 million to \$388.3 million. The Village's increase of combined net assets was mainly due to the increase in capital assets for Governmental Activities.

By far the largest portion of the Village's net assets, which is 70 percent, reflects its investments in capital assets (for example - land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to replay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**VILLAGE OF BOLINGBROOK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2006**

Statement of Activities

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	2006	2005	2006	2005	2006	2005
REVENUES						
Program Revenues:						
Charges for Services	\$ 12.5	\$ 11.2	\$ 19.6	\$ 17.5	\$ 32.1	\$ 28.7
Oper. Grants/Contrib.	1.9	2.6	-	1.0	1.9	3.6
Cap. Grants/Contrib.	15.7	30.8	-	-	15.7	30.8
General Revenues:						
Property Taxes	13.0	12.5	-	-	13.0	12.5
Other Taxes	39.4	34.0	-	-	39.4	34.0
Other	1.8	1.8	0.9	1.1	2.7	2.9
Total Revenues	84.3	92.9	20.5	19.6	104.8	112.5
EXPENSES						
General Government	11.3	11.1	-	-	11.3	11.1
Public Safety	27.4	28.1	-	-	27.4	28.1
Public Works	17.0	13.3	-	-	17.0	13.3
Sanitation Capital Projects	4.1	3.3	-	-	4.1	3.3
Capital Projects	7.4	.8	-	-	7.4	0.8
Culture and Recreation	2.7	2.4	-	-	2.7	2.4
Interest on Long-Term Debt	6.6	6.2	-	-	6.6	6.2
Water and Sewer	-	-	8.3	8.2	8.3	8.2
Golf Course	-	-	8.6	7.9	8.6	7.9
Americana Estates	-	-	.5	.3	.5	.3
Airport	-	-	1.1	.7	1.1	.7
Total Expenses	76.5	65.2	18.5	17.2	95.0	82.4
Increase in Net Assets						
Before Transfers	7.8	27.7	2.0	2.4	9.8	30.1
TRANSFERS	1.4	-1.7	-1.4	1.7	0.0	0.0
CHANGE IN NET ASSETS	\$ 9.2	\$ 26.0	\$.6	\$ 4.1	\$ 9.8	\$ 30.1

**VILLAGE OF BOLINGBROOK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2006**

Governmental Activities

Revenue:

Total revenues for governmental activities were \$84.3 million. The Village completed a special census in 2003; consequently the US Census Bureau certified a population of 62,948. This represents an increase of 11.8% from the 2000 census population of 56,321. Since a number of state shared revenues are distributed on a per capita basis, the increased population had a favorable impact on overall revenues.

The Village received \$39.4 million in other taxes; this represents 46.8% of the total governmental revenues. The largest other tax is state sales tax. In the current year, the Village had state sales tax revenue of \$19.1 million. The revenue derived from the real estate transfer tax was \$7.4 million. We attribute this amount to low interest rates, an increase in the number of people buying larger homes, and an influx of first-time homebuyers. The 3rd largest other tax is the State Income Tax, which was \$4.9 million.

Capital grants and contributions amounted to \$15.7 million, which equates to 18.6% of total governmental revenues. In the current year, we received right of way valued at \$6.1 million from developers of new subdivisions.

Property taxes are 15.4% of the Village's Governmental Activities revenue. In the current year, we received \$13.0 million in property taxes. Our overall property tax extension increased 5.5%, from \$11,167,067 to \$11,783,833. The Village's equalized assessed valuation increased 14.3% from \$1,601,242,697 to \$1,829,503,683.

Charges for services amounted to \$12.5 million or 14.8% of total governmental revenues. Charges for services increased by \$1.3 million, from \$11.2 million in FY05 to \$12.5 million in FY06. The majority of this increase, relates to annexation fees. Annexation is the process of having a specific piece of land brought into the Corporate limits of Bolingbrook. Any request for annexation or an amendment to a previous annexation agreement, is accompanied by an application fee. As part of the agreement process, specific costs are decided upon between the Village and the property owner. Annexation fees vary greatly from year to year depending what properties are annexed into the Village and the amount of the annexations fees determined at the time of the agreement.

Expenses:

The Village's Governmental Activities had \$76.5 million in expenses. The largest part of this expense, 35.8% or \$27.4 million, relate to public safety. This includes required contributions to the Police and Fire Pensions, as well as salaries for all Fire and Police personnel and associated benefits. Public Works made up 22.2% or \$17.0 million of total governmental activities expenditures. The Village was able to complete a number of community improvements during the year, including the connecting Falconridge way to Janes Avenue, interconnecting traffic signals on Boughton Rd, completion of Veterans Parkway from Remington to Crossroads, and the Old Chicago Realignment.

**VILLAGE OF BOLINGBROOK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2006**

Business-type Activities

Revenues:

The total business-type revenues were \$20.5 million. Tap-on fees are obtained through new connections to the Village's water reclamation facilities. During the year we received \$5.8 million in tap-on fees. We also received \$2.8 million in revenue from our wastewater service charge. This is a fee charged to residents, apartment units, commercial and industrial users for each gallon of treatment and collection.

At the golf course we had food and beverage sales of \$4.7 million, and \$1.9 million from the course.

Expenses:

The total expenses were \$18.5 million. \$3.0 million relates depreciation expense, and the remaining balance relates to salaries, utilities, sludge disposal contracts, and other miscellaneous items.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At April 30, 2006, the governmental funds reported combined total fund balance of \$62.3 million, which is a 17.4% increase from the beginning of the year's total of \$53.1 million.

Proprietary Funds

The Village of Bolingbrook's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Village reports the Wastewater/Sewer, Airport, Americana Estate, and Golf Course funds as proprietary funds. Wastewater and Sewer Treatment service is provided at a rate of \$1.75 per thousand gallons of usage.

In April of 2002, the Village executed a 5-year management contract with Kemper Management Inc. to provide operating services at the Village owned Golf Course. For an annual fee the firm employees and trains the proper staffing levels, maintains the course and clubhouse, operates the half way houses, develops and markets the golf course activities and promotions. All revenues are the Village's and operating expenses are incurred in accordance with the contract and an annual budget approved by the Village.

**VILLAGE OF BOLINGBROOK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2006**

In April of 2004, the Village purchased Clow International Airport. A management agreement lasting 3 years was executed with Clow International Airport, LLC. DePaulo will supervise, manage, direct and operate the Airport on behalf of the Village. This includes general daily operations, service work, repairs, and marketing.

At April 30, 2006, the business-type activities reported combined Total Net Assets of \$188.8 million, which is a 0.3% increase from the beginning of the year's total of \$188.2 million. Of the Total Net Assets balance, \$184.0 million is restricted.

The Village intends to run the Water/Sewer Operating Fund at a breakeven rate while maintaining a cash reserve equal to two months of operating expenses. Periodically, the W/S Operating Fund transfers cash in excess of the target balance to the W/S Capital Fund. In the event the cash reserves have fallen below the target balance, W/S Capital Fund replenishes the W/S Operating Fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

The following chart reflects the condensed Budgetary Comparison Schedule (in millions):

	2006		2005	
	Adopted Budget	Actual	Adopted Budget	Actual
General Fund:				
Revenues:				
Taxes	\$ 15.2	\$ 18.0	\$ 15.6	\$ 17.2
Intergovernmental	30.5	27.0	23.4	22.9
Other	12.7	12.2	20.2	41.2
Total	58.4	57.2	59.2	81.3
Expenditures:				
Current	56.4	49.9	53.6	48.1
Capital Outlay	14.5	6.7	10.6	38.0
Total	70.9	56.6	64.2	86.1
Transfers	12.5	5.5	4.0	2.3
Change in Fund Balance	\$ -	\$ 6.1	\$ (1.0)	\$ (2.5)

Since many of the Village's revenues and expenses can be impacted by factors not controllable by the Village, such as the weather and economy, budget line items are best estimates based on past typical experience. We received \$2.7 million more in tax dollars than anticipated. Specifically, the real estate transfer tax and the simple telecommunication tax boosted our revenues as discussed in the revenues section of this discussion. The variance between our adopted budget amount of \$70,788,472 and actual expenditures of \$ 56,650,978 relates to capital projects that were budgeted for completion in the current year, but not done.

**VILLAGE OF BOLINGBROOK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2006**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

**Governmental Activities
Change in Capital Assets
(in millions)**

	<u>Restated Balance April 30, 2005</u>	<u>Net Additions/ Deletions</u>	<u>Balance April 30, 2006</u>
Non-Depreciable Assets:			
Land	\$ 176.0	\$ 6.1	\$ 182.1
CIP	5.2	(2.3)	2.9
Other Capital Assets:			
Land Improvements	-	0.1	0.1
Infrastructure	99.2	12.1	111.3
Buildings	28.6	-	28.6
Machinery & Equipment	10.0	0.9	10.9
Accum. Depreciation on Capital Assets	<u>(42.8)</u>	<u>(4.5)</u>	<u>(47.3)</u>
Totals	<u>\$ 276.2</u>	<u>\$ 12.4</u>	<u>\$ 288.6</u>

Excluding land and construction in progress, this year's major additions included:

14 Police Cars	\$239,008
1 Chevy Van	20,643
1 Ford Van	<u>18,905</u>
TOTAL	\$278,556

The Village sold nineteen Village vehicles through auction services in accordance with our long-term replacement projection for regular replacement of police vehicles and public work's trucks.

In accordance with the Village's projected Road Replacement Program, Street improvements include resurfacing of 52,800 feet of road.

**VILLAGE OF BOLINGBROOK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2006**

**Business-Type Activities
Change in Capital Assets
(in millions)**

	<u>Restated Balance April 30, 2005</u>	<u>Net Additions/ Deletions</u>	<u>Balance April 30, 2006</u>
Non-Depreciable Assets:			
Land	\$ 59.1	\$ (1.6)	\$ 57.5
CIP	1.8	4.0	5.8
Other Capital Assets:			
Land Improvements	1.7	-	1.7
Infrastructure	112.5	0.1	112.6
Buildings	37.3	0.6	37.9
Equipment	13.5	0.2	13.7
Vehicles	0.6	-	0.6
Accum. Depreciation on Capital Assets	<u>(39.5)</u>	<u>(3.7)</u>	<u>(43.2)</u>
Totals	<u>\$ 187.0</u>	<u>\$ (0.5)</u>	<u>\$ 186.5</u>

Excluding land and construction in progress, this year's major additions included (in thousands):

New Sanitary Sewer line	\$ 1.31
New Storm Sewer	<u>1.88</u>
TOTAL	\$ 3.19

Various developers installed and dedicated 52,054 linear feet of Storm Sewer line and 26,026 Sanitary Sewer line to the Village. These lines are located in, but not limited to Crestview Estates, Lakewood Ridge Units 1, 2 and 3, Barclay Estates Units 2A and 2B.

Debt Administration

At April 30, 2006, the Village had outstanding debt as follows:

	Obligations			Obligations		
	Outstanding	Debt	Interest	Debt	Outstanding	Due within
	May 1, 2005	Additions	Accretion	Retirement	April 30, 2006	one year
Governmental Activities:						
1995A General Obligation Bonds	\$ 1,500,000	\$ -	\$ -	\$ 115,000	\$ 1,385,000	\$ 120,000
1997 General Obligation Bonds	12,390,197	-	735,308	-	13,125,505	-
1999B Capital Appreciation Bonds	14,350,110	-	809,613	-	15,159,723	-
1999C Capital Appreciation Bonds	19,840,332	-	1,073,625	-	20,913,957	-
2002 General Obligation Bonds	65,871,281	-	1,799,232	205,000	67,465,513	435,000
2004A Demand Bonds	22,575,000	-	-	-	22,575,000	-
Weber Road TIF Bonds	-	8,880,000	-	-	8,880,000	-
Bond Discount	-	(88,800)	-	(4,440)	(84,360)	-
Compensated Absences	4,073,176	-	-	344,693	3,728,483	-
Net Pension Obligation	902,145	-	-	14,964	887,181	-
Total Governmental Activities	<u>\$ 141,502,241</u>	<u>\$ 8,791,200</u>	<u>\$ 4,417,778</u>	<u>\$ 675,217</u>	<u>\$ 154,036,002</u>	<u>\$ 555,000</u>
Business-type Activities:						
2002 General Obligation Bonds	\$ 3,230,000	\$ -	\$ -	\$ 335,000	\$ 2,895,000	\$ 350,000
Bond Discount	(117,499)	-	-	11,861	(105,638)	-
Compensated Absences	259,494	-	-	26,020	233,474	-
Total Business-type Activities	<u>\$ 3,371,995</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 372,881</u>	<u>\$ 3,022,836</u>	<u>\$ 350,000</u>

**VILLAGE OF BOLINGBROOK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2006**

As a Home Rule community under the Illinois Constitution, the Village has no legal debt limit. However, the Village has no intention of exceeding a fiscally responsible amount of debt or risking the possibility of losing the Village's current (AA-/A-1+) rating from Moody's Investment Service on general obligation bond issues.

ECONOMIC FACTORS

The Village is located at the interchange of Interstate Route 55 on the south and the north/south extension of the Illinois Tollway system, I-355 on the east. Presently the Village consists of 25 square miles. In the past decade, the Village's assessed valuation has continued to grow. The assessed valuation has increased from \$1,601,242,697 in 2004 to \$1,829,503,683 in 2005.

The Illinois Tollway Authority has started construction of the extension of the North/South Tollway (I-355) from Route 55 at the southeast edge of Bolingbrook south to I-80. Construction was delayed by the results of a federal lawsuit, which required the Illinois Toll Authority to conduct additional studies regarding the environmental impact of the extension. The Illinois Toll Authority has completed the study to the court's satisfaction. The extension will make the Village one of the most centralized suburbs in the Southwest Chicago area.

The Village has experienced rapid growth in commercial and residential real estate development over the past ten years and anticipates a continuation of this trend in the foreseeable future. Much of this growth can be attributed to the pro-growth sentiments of the Village; the proximity of the Village to the City of Chicago; the provision of necessary infrastructure improvements including roads, water and sewer services, and low property taxes.

Housing construction continues at a controlled rate. In fiscal year 2006-07, the Village anticipates the issuance of approximately 200 housing permits. In the next two to four years, estimates indicate 650 homes will be platted for construction. Currently, there are 9 subdivisions under various levels of construction. These subdivisions are Aspen Trails, Cypress Creek, Patriot Place, River Woods Estates, Heritage Knoll, River Hills, and Herrington Estates. With the Village's geographic growth and quality services provided to the residents, the trend should continue for many years to come.

Bolingbrook's trend of a growth and diversification mix will spur the explosion of commercial and industrial space throughout the Village. The Village will begin to expand its available housing stock for senior citizens when the Crystal Life Styles community breaks ground. The complex will have over 100 units available upon completion. A Lifestyle shopping area in the Boughton Road & Janes Avenue area, approximately 1.1 million square feet of retail space will also be opening in the spring of 2007. This area will include stores such as Bass Pro, Macy's, DSW, Barnes & Noble, Karasotes Theatres, and numerous other retail establishments. In addition, construction of the Bolingbrook Hospital has begun and plans to receive patients in the fall of 2007.

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. Questions concerning this report or requests for additional financial information should be directed to the Finance Director, Village of Bolingbrook, 375 W. Briarcliff Rd., Bolingbrook, Illinois, 60440

STATEMENT OF NET ASSETS

April 30, 2006

	Governmental Activities	Business-type Activities	Total Primary Government
Assets			
Current:			
Cash, cash equivalents and investments	\$ 32,703,044	\$ 25,896,549	\$ 58,599,593
Cash, cash equivalents and investments - restricted	1,009,854	384,281	1,394,135
Property tax receivable	13,406,711	-	13,406,711
Other taxes receivable	7,461,359	-	7,461,359
Accounts receivable (net of allowances)	829,405	4,830,526	5,659,931
Accrued interest receivable	40,627	153,417	194,044
Intergovernmental receivable	434,085	-	434,085
Notes receivable	-	999,000	999,000
Other receivables	98,848	14,644	113,492
Internal balances	25,505,619	(25,505,619)	-
Prepaid assets	-	732,034	732,034
Inventories	29,778	299,045	328,823
Other assets	276,761	347,081	623,842
Non-current:			
Net pension surplus	669,274	-	669,274
Capital assets:			
Capital assets not being depreciated	185,041,764	63,323,736	248,365,500
Capital assets being depreciated, net	103,580,217	123,157,863	226,738,080
Total assets	371,087,346	194,632,557	565,719,903
Liabilities			
Current:			
Accounts payable	3,168,915	861,876	4,030,791
Accrued payroll	543,478	200,215	743,693
Claims payable	669,829	-	669,829
Deposits payable	3,478,340	519,215	3,997,555
Interest payable	685,161	46,077	731,238
Other payables	462,252	50,056	512,308
Due to developers	-	28,656	28,656
Due to pension funds	1,608,325	-	1,608,325
Deferred revenue	6,942,986	1,091,952	8,034,938
Other liabilities	-	37,791	37,791
Long-term obligations, due within one year:			
Bonds payable	555,000	350,000	905,000
Non-current:			
Long-term obligations, due in more than one year:			
Compensated absences	3,728,483	233,474	3,961,957
Bonds payable	148,865,338	2,439,362	151,304,700
Net pension obligation	887,181	-	887,181
Total liabilities	171,595,288	5,858,674	177,453,962
Net assets			
Invested in capital assets, net of related debt	139,201,643	184,042,237	323,243,880
Restricted assets:			
Capital projects	13,266,211	-	13,266,211
Debt service	10,537,406	-	10,537,406
Motor fuel tax	5,782,924	-	5,782,924
Unrestricted	30,703,874	4,731,646	35,435,520
Total net assets	\$ 199,492,058	\$ 188,773,883	\$ 388,265,941

See accompanying notes to financial statements

STATEMENT OF ACTIVITIES
Year Ended April 30, 2006

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 11,363,759	\$ 7,160,611	\$ 1,241,442	\$ -	\$ (2,961,706)	\$ -	\$ (2,961,706)
Public safety	27,337,588	1,900,141	633,728	-	(24,803,719)	-	(24,803,719)
Public works	16,966,846	3,411,204	-	15,562,538	2,006,896	2,006,896	2,006,896
Sanitation	4,131,267	-	-	-	(4,131,267)	-	(4,131,267)
Capital projects	7,376,816	-	-	180,901	(7,195,915)	-	(7,195,915)
Culture and recreation	2,702,244	-	-	-	(2,702,244)	-	(2,702,244)
Interest on long-term debt	6,563,088	-	-	-	(6,563,088)	-	(6,563,088)
Total governmental activities	<u>76,441,608</u>	<u>12,471,956</u>	<u>1,875,170</u>	<u>15,743,439</u>	<u>(46,351,043)</u>	<u>-</u>	<u>(46,351,043)</u>
Business-type activities:							
Water & sewer	8,338,525	8,711,804	-	-	-	\$ 373,279	\$ 373,279
Golf course	8,611,322	7,154,318	-	-	-	(1,457,004)	(1,457,004)
Americana estates	454,390	3,383,678	-	-	-	2,929,288	2,929,288
Airport	1,149,832	305,727	-	-	-	(844,105)	(844,105)
Total business-type activities	<u>18,554,069</u>	<u>19,555,527</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,001,458</u>	<u>1,001,458</u>
Total primary government	<u>\$ 94,995,677</u>	<u>\$ 32,027,483</u>	<u>\$ 1,875,170</u>	<u>\$ 15,743,439</u>	<u>(46,351,043)</u>	<u>1,001,458</u>	<u>(45,349,585)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes				9,457,249	-	-	9,457,249
Property taxes, levied for debt service				2,232,137	-	-	2,232,137
Property taxes, levied for TIF				1,301,817	-	-	1,301,817
Other taxes				39,362,487	-	-	39,362,487
Unrestricted investment earnings				1,270,421	886,061	-	2,156,482
Gain/loss on sale of property				(258,402)	-	-	(258,402)
Miscellaneous revenues				799,169	38,442	-	837,611
Transfers in (out)				1,364,076	(1,364,076)	-	-
Total general revenues and transfers				<u>55,528,954</u>	<u>(439,573)</u>	<u>-</u>	<u>55,089,381</u>
Change in net assets				9,177,911	561,885	-	9,739,796
Net assets - beginning (as restated)				<u>190,314,147</u>	<u>188,211,998</u>	<u>-</u>	<u>378,526,145</u>
Net assets - ending				<u>\$ 199,492,058</u>	<u>\$ 188,773,883</u>	<u>\$ -</u>	<u>\$ 388,265,941</u>

See accompanying notes to financial statements

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VILLAGE OF BOLINGBROOK, ILLINOIS

GOVERNMENTAL FUNDS
BALANCE SHEET
April 30, 2006

	Major Funds			Total Major Funds
	General Fund	Refuse and Recycling Fund	Capital Improvement Fund	
Assets				
Cash, cash equivalents and investments	\$ 656,236	\$ -	\$ -	\$ 656,236
Cash, cash equivalents and investments - restricted	-	-	-	-
Property tax receivable	5,576,328	3,860,253	-	9,436,581
Other taxes receivable	7,461,359	-	-	7,461,359
Accounts receivable (net of allowances)	641,478	-	-	641,478
Accrued interest receivable	40,627	-	-	40,627
Intergovernmental receivable	45,473	-	-	45,473
Other receivables	-	-	-	-
Interfund receivable	32,970,120	-	-	32,970,120
Inventories	29,778	-	-	29,778
Total assets	\$ 47,421,399	\$ 3,860,253	\$ -	\$ 51,281,652
Liabilities and Fund Balance				
Liabilities				
Accounts payable	\$ 2,852,081	\$ -	\$ -	\$ 2,852,081
Accrued payroll	543,478	-	-	543,478
Deposits payable	3,478,340	-	-	3,478,340
Interfund payables	45,714	1,386,648	3,513,759	4,946,121
Due to pension funds	1,608,325	-	-	1,608,325
Deferred revenue	5,150,090	1,975,436	-	7,125,526
Other payables	9,025	-	-	9,025
Total liabilities	13,687,053	3,362,084	3,513,759	20,562,896
Fund Balance				
Unreserved	33,704,568	498,169	(3,513,759)	30,688,978
Reserved - inventory	29,778	-	-	29,778
Unreserved, reported in nonmajor:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
Total fund balance	33,734,346	498,169	(3,513,759)	30,718,756
Total liabilities and fund balance	\$ 47,421,399	\$ 3,860,253	\$ -	\$ 51,281,652

Nonmajor Governmental Funds	Total
\$ 28,991,593	\$ 29,647,829
1,009,854	1,009,854
3,970,130	13,406,711
-	7,461,359
187,254	828,732
-	40,627
388,612	434,085
98,848	98,848
687,291	33,657,411
-	29,778
<u>\$ 35,333,582</u>	<u>\$ 86,615,234</u>
\$ 189,730	\$ 3,041,811
-	543,478
-	3,478,340
973,451	5,919,572
-	1,608,325
2,113,278	9,238,804
<u>453,227</u>	<u>462,252</u>
<u>3,729,686</u>	<u>24,292,582</u>
-	30,688,978
-	29,778
7,800,279	7,800,279
13,266,211	13,266,211
<u>10,537,406</u>	<u>10,537,406</u>
<u>31,603,896</u>	<u>62,322,652</u>
<u>\$ 35,333,582</u>	<u>\$ 86,615,234</u>

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET ASSETS
April 30, 2006

Total fund balances - governmental funds	\$	62,322,652
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Amounts reported for governmental activities in the net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:

Capital assets	335,982,484	
Accumulated depreciation	<u>(47,360,503)</u>	
Net capital assets		288,621,981

Some assets reported in the statement of net assets do not require the use of current financial resources and therefore are not reported as assets in governmental funds. These liabilities consist of:

Net pension surplus		669,274
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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:

General obligation bonds payable	(149,420,338)	
Net pension obligation	(887,181)	
Long term compensated absences	(3,728,483)	
Interest payable	<u>(685,161)</u>	
Total long-term liabilities		(154,721,163)

Bond issuance costs are expensed as incurred in the governmental funds but are capitalized and amortized over the life of the bond in the statement of net assets.

276,761

Some of the state's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.

State revenues deferred in funds		2,295,818
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Internal service funds are used to manage the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets.

26,735

Net assets of governmental activities	\$	<u>199,492,058</u>
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VILLAGE OF BOLINGBROOK, ILLINOIS

GOVERNMENTAL FUNDS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 Year Ended April 30, 2006

	Major Funds			Total Major Funds
	General Fund	Refuse and Recycling Fund	Capital Improvement Fund	
Revenues				
Taxes	\$ 17,966,896	\$ 3,814,918	\$ -	\$ 21,781,814
Licenses and permits	4,245,243	-	-	4,245,243
Charges for service	5,840,408	-	-	5,840,408
Fines and forfeitures	736,620	-	-	736,620
Contributions	524,912	-	-	524,912
Intergovernmental	26,974,672	-	-	26,974,672
Interest	597,914	-	-	597,914
Miscellaneous	348,080	-	-	348,080
Total revenues	<u>57,234,745</u>	<u>3,814,918</u>	<u>-</u>	<u>61,049,663</u>
Expenditures				
Current:				
General government	9,310,774	-	-	9,310,774
Public safety	26,328,061	-	-	26,328,061
Highways and streets	7,507,346	-	-	7,507,346
Sanitation	4,131,267	-	-	4,131,267
Culture and recreation	2,690,916	-	-	2,690,916
Capital outlay	6,682,614	-	-	6,682,614
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>56,650,978</u>	<u>-</u>	<u>-</u>	<u>56,650,978</u>
Excess (Deficiency) of Revenues over Expenditures	<u>583,767</u>	<u>3,814,918</u>	<u>-</u>	<u>4,398,685</u>
Other Financing Sources (Uses)				
Bond proceeds	-	-	-	-
Bond issuance costs	-	-	-	-
Bond discount	-	-	-	-
Transfers in	5,460,908	-	-	5,460,908
Transfers out	-	(3,821,832)	-	(3,821,832)
Total other financing sources (uses)	<u>5,460,908</u>	<u>(3,821,832)</u>	<u>-</u>	<u>1,639,076</u>
Net Change in Fund Balance	6,044,675	(6,914)	-	6,037,761
Fund balances at beginning of year	<u>27,689,671</u>	<u>505,083</u>	<u>(3,513,759)</u>	<u>24,680,995</u>
Fund balances at end of year	<u>\$ 33,734,346</u>	<u>\$ 498,169</u>	<u>\$ (3,513,759)</u>	<u>\$ 30,718,756</u>

Nonmajor Governmental Funds	Total
\$ 3,808,954	\$ 25,590,768
-	4,245,243
559,530	6,399,938
-	736,620
169,025	693,937
2,421,575	29,396,247
618,938	1,216,852
-	348,080
<u>7,578,022</u>	<u>68,627,685</u>
923,415	10,234,189
-	26,328,061
1,443,711	8,951,057
-	4,131,267
-	2,690,916
7,710,290	14,392,904
320,000	320,000
<u>2,179,118</u>	<u>2,179,118</u>
<u>12,576,534</u>	<u>69,227,512</u>
<u>(4,998,512)</u>	<u>(599,827)</u>
8,880,000	8,880,000
(291,328)	(291,328)
(88,800)	(88,800)
673,288	6,134,196
<u>(948,288)</u>	<u>(4,770,120)</u>
<u>8,224,872</u>	<u>9,863,948</u>
3,226,360	9,264,121
<u>28,377,536</u>	<u>53,058,531</u>
<u>\$ 31,603,896</u>	<u>\$ 62,322,652</u>
