

**\$8,945,000 Village of Cary
McHenry County, Illinois
Special Assessment Area Number One
Special Tax Refunding Bonds, Series 2006**

Annual Continuing Disclosure Report

For the Period Ending September 30, 2008

Prepared by:

MUNICAP, INC.

December 15, 2008

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I. UPDATED INFORMATION

Information provided below is updated as of September 30, 2008:

- Special taxes were levied in 2006 for collection in 2007 in the amount of \$600,002, which were due on June 5 and September 5, 2007. As of December 5, 2008, McHenry County reports collecting and transferring to the Village of Cary special taxes in the amount of \$600,002, representing 100 percent of the calendar year 2007 special taxes levied.
- Special taxes were levied in 2007 for collection in 2008 in the amount of \$550,005, which were due on June 5 and September 5, 2008. As of December 5, 2008, McHenry County reports collecting and transferring to the Village of Cary special taxes in the amount of \$541,337, representing 98.4 percent of the calendar year 2007 special taxes levied. The village anticipates transferring the uncollected balance of \$8,668 to the trustee when collected at tax sale and made available by McHenry County. The tax sale was scheduled for December 2, 2008 and the final distribution of special taxes will take place in January 2009. As of December 10, 2008, McHenry County reports that calendar year 2007 tax sale collection information was unavailable.
- Special taxes were levied in 2008 for collection in 2009 in the amount of \$550,002. The special taxes are due in June and September 2009. As a result, there are no delinquent special taxes for calendar year 2008 at this time.
- According to the McHenry County treasurer's web site, the representative calendar year 2007 tax rate for a single-family and a townhouse unit located within School District 47 was 7.3552 per \$100 of assessed value.
- According to the McHenry County treasurer's web site, the representative calendar year 2007 tax rate for a single-family and a townhouse unit located within School District 26 was 7.3098 per \$100 of assessed value.
- According to the U.S Census Bureau's 2007 American Community Survey, the median household income for McHenry County and the State of Illinois were \$73,286 and \$54,124, respectively.
- According to the U.S Census Bureau's 2007 American Community Survey, the median home values for McHenry County and the State of Illinois were \$262,100 and \$208,800, respectively.

II. INTRODUCTION

The Village of Cary, McHenry County, Illinois, Special Service Area Number One issued the \$8,945,000 Series 2006 Special Tax Refunding Bonds to refund and defease the \$10,600,000 Series 2000A Special Tax Bonds. The Series 2000A Special Tax Bonds were issued pursuant to a Trust Indenture, dated as of July 1, 2000, between the Village of Cary and J.P. Morgan Trust Company, National Association (formerly American National Bank and Trust Company of Chicago, Illinois). The Series 2006 Special Tax Refunding Bonds were issued pursuant to and in accordance with (i) the Illinois Constitution of 1970, (ii) the Special Service Area Tax Law of the State of Illinois, (iii) the Illinois Local Government Debt Reform Act, (iv) Ordinance No. 06-06-06, which was adopted by the village on June 20, 2006, providing for the issuance of the Series 2006 Special Tax Refunding Bonds, and (v) a Trust Indenture dated as of July 1, 2006, between the Village of Cary and Bank of New York Trust Company (formerly J.P. Morgan Trust Company, National Association of Chicago, Illinois).

According to the Official Statement for the Series 2006 Special Tax Refunding Bonds, the Village of Cary Special Service Area consists of approximately 139 acres of land located south of Three Oaks Road and east of State Route 31 in Cary, Illinois, commonly known as the Cambria Project.

The special service area consists of 235 single-family homes and 239 townhomes. The property in the special service area was developed by Cambria LLC., doing business as Concord Homes (the "Developer"). According to the Official Statement, dated as July 13, 2006, the developer has completed building all single-family homes and townhomes in the special service area.

Pursuant to the Official Statement, \$8,945,000 in Special Tax Refunding Bonds (Series 2006) were sold and used to refund and defease the \$10,600,000 Special Tax Bonds (Series 2000A). The Series 2000A bond proceeds were used to construct certain special services consisting of sewer tap, water tap, public park, earth works, sanitary sewers, storm sewers, water mains, curbs and gutters, pavements, side walk, street lights and other eligible costs to serve the area that were required in connection with the development of the area.

The information provided herein is not intended to supplement or otherwise relate to the information provided in the Official Statement and any such intent is expressly disavowed. Rather, this report responds to the specific requirements of the continuing disclosure agreement.

No representation is made as to the materiality or completeness of the information provided herein or as to whether other relevant information exists with respect to the period covered by this report. Other matters or events may have occurred or become known during or since that period that may be material. All information is provided as of September 30, 2008, unless otherwise stated, and no representation is made that the information contained in this report is indicative of information that may pertain since the end of the period covered by this report or in the future.

III. TRUSTEE ACCOUNTS

The trustee for the Series 2006 Refunding Bonds is the Bank of New York Trust Company (formerly J.P. Morgan Trust Company). The balance as of September 30, 2007, interest paid, disbursements and account balances as of September 30, 2008 are shown by the following table.

**Table III-1
Account Balances**

	Balance 9/30/07	Interest Paid	Additional Proceeds	Disburse- ments	Balance 9/30/08
Bond & Interest Fund	\$268,933	\$18,060	\$684,320	\$913,829	\$57,484
Special Redemption	\$22,357	\$984	\$69,787	\$49,057	\$44,071
Reserve Fund	\$788,082	\$26,866	\$0	\$40,838	\$774,110
Administrative Expense Fund	\$17,630	\$413	\$22,515	\$25,303	\$15,255
Escrow Account	\$8,356,509	\$421,306	\$0	\$638,261	\$8,139,554
Total	\$9,453,533	\$467,630	\$776,622	\$1,667,289	\$9,030,495

The additional proceeds to the Bond and Interest Fund were special tax revenues and transfers from the Special Redemption Account for the redemption of a portion of the Series 2006 Bonds. The additional proceeds to the Special Redemption Account were calendar year 2007 special tax prepayments made on two single-family lots and a transfer from the Reserve Fund. Disbursements from the Reserve Fund consist of cash management fees, transfers of investment income to the Bond and Interest Fund for the payment of debt service, and a transfer of reserve fund credit to the Special Redemption Account. The additional proceeds to the Administrative Expense Fund were transfers of special tax revenues from the Bond and Interest fund for the payment of administrative expenses. Disbursements from the Special Redemption Account were transfers for the redemption of a portion of the Series 2006 Bonds on December 1, 2007 from calendar year 2006 prepayments received on two single-family lots. Disbursements from the Escrow Account were for the payment of debt service on the Series 2000A Bonds.

The interest paid through September 30, 2008 does not include interest accrued but not yet paid. Bond proceeds in the Escrow Account are invested in U.S. Treasury notes earning 5.08 percent. The other bond proceeds in each fund are invested in money market funds currently earning 2.23 percent per year. Table III-2 below shows the approximate rates of return on the investments as of September 30, 2008.

Investment income in the Bond and Interest Fund will remain in the Bond and Interest Fund. The proceeds in excess of the reserve requirement in the Reserve Fund shall be transferred to the Interest Fund to be used for the payment of interest on bonds. Investment income in the Escrow Account will be used to pay debt service on the prior bonds.

**Table III-2
Rate of Return**

Account	Rate of Return
Bond & Interest Fund	2.23%
Special Redemption	2.23%
Reserve Fund	2.23%
Administrative Expense Fund	2.23%
Escrow Account	5.08%

IV. DISTRICT OPERATIONS

A. VILLAGE FINANCIAL STATEMENTS

A copy of the village's audited financial statements for the fiscal year ending April 30, 2008 has been provided under separate cover.

B. SPECIAL ASSESSMENTS LEVIED AND COLLECTED

The \$10,600,000 Cary Special Service Area Number One Series 2000A Special Tax Bonds were defeased and refunded on July 13, 2006 with the \$8,945,000 Cary Special Service Area Number One Series 2006 Special Tax Refunding Bonds.

The special tax roll is to be amended each year to reflect: (i) the Maximum Special Taxes and the Maximum Parcel Special Taxes for the current Calendar Year, (ii) the Special Taxes as abated for the Calendar Year, (iii) prepayment of the special tax by any parcel, and (iv) any subdivisions of Parcels in the SSA that result in any reallocation of the special taxes.

The maximum annual special tax is the aggregate amount levied each calendar year on all of the parcels within the SSA. Special taxes have been levied at the maximum rate for the years 2000 - 2028. Special taxes levied in 2008 are for collection in 2009. After accounting for prepaid special taxes, the maximum annual special tax for 2008 (for collection in 2009) is \$827,780.

Beginning in 2002 and in each calendar year thereafter, the Maximum Special Taxes for the Series 2006 Bonds are to be increased by 1.5 percent of the amount from the previous year. The maximum special taxes per unit for 2008 (which are for collection in 2009) are shown in Table IV-1.

Table IV-1
Maximum Parcel Special Tax Rates
2008 Calendar Year

	2008 Maximum Parcel Special Tax
Townhouse	\$1,767
Single-family	\$2,242

(i) Abatement of Special Taxes

Special taxes have been levied at the maximum special tax rate for each year. The special tax is abated each year to the amount actually required to pay debt service and administrative expenses. The special tax requirement is, generally, equal to (i) annual debt service, administrative expenses and funds required for replenishment of any required reserve, less (iii) investment income and available capitalized interest.

Table IV-2 provides a summary of the special tax requirement for 2008 for the Series 2006 Bonds. Special taxes are to be abated such that the amount to be collected in 2009 is equal to \$550,000. The special tax requirement for the Series 2006 Bonds is explained in the following sections.

Table IV-2
Special Tax Requirement for 2008

Debt service:	
Interest payment, September 1, 2009	\$202,586
Interest payment, March 1, 2010	\$202,586
Principal payment, March 1, 2010	\$158,000
Total debt service	\$563,172
Special service area operations	\$23,000
Bonds to be called from surplus	\$200,000
Contingency	\$32,912
Sub-total expenses	\$819,084
Reserve fund investment income	(\$7,592)
Surplus from prior year	(\$261,492)
Special tax requirement for calendar year 2008	\$550,000

(ii) Debt Service

The special taxes collected in 2009 will be used to make the payments on the Series 2006 Bonds due on September 1, 2009 and March 1, 2010. The Term 2016 Bonds have been reduced by \$10,000 in prepayments and \$419,000 in regularly scheduled principal payments. Additional Term 2016 Bonds in the amount of \$10,000 are expected to be redeemed on December 1, 2008 from prepayments received on two single-family lots. A regularly scheduled principal payment in the amount of \$148,000 is anticipated to redeem additional Term 2016 Bonds on March 1, 2009. The Term 2030 Bonds have been reduced by \$36,000 in prepayments. Additional Term 2030 Bonds in the amount of \$37,000 are expected to be redeemed on December 1, 2008 with prepayments received during calendar year 2007. Accordingly, the debt service payment is calculated based on the outstanding refunding bonds after December 1, 2008 and March 1, 2009 redemptions, which is based on the outstanding Term 2016 Bonds of \$1,513,000 at an interest rate of 4.40 percent and the outstanding Term 2030 Bonds of \$6,772,000 at an interest rate of 5.00 percent. As a result, interest on the outstanding bonds each six months is \$202,586. There is a principal payment of \$158,000 due on March 1, 2010. As a result, total debt service is equal to \$563,172.

(iii) Special Service Area Operations

Special service area operations generally include the charges of the trustee, administrator, expenses of the village and the expenses of the special service area counsel. The annual charge of the trustee is estimated to be \$4,000. The annual charge of the administrator is estimated to be \$13,485 (including charges for annual arbitrage rebate and continuing disclosure services). The expenses of the village are estimated to be \$3,478, which includes \$2,050 for the annual charge of the village's auditor. The expenses of the special service area counsel are estimated to be \$1,500. Increasing these amounts for inflation results in total estimated administrative expenses for calendar year 2008 of \$23,000.

(iv) Bonds to be Called from Surplus

As per Section 4.2 of the Trust Indenture, Series 2006 Refunding Bonds in the amount of \$200,000 are to be redeemed on any date on or after March 1, 2016, at par, plus accrued interest with the surplus from the prior year as calculated below.

(v) Contingency

A contingency, equal to approximately six percent of annual expenses, has been added in the event there are unanticipated expenses, special tax delinquencies, or the investment income earned is less than estimated.

(vi) Reserve Fund

As of October 31, 2008, the reserve fund balance was \$771,885, which included the reserve requirement of \$759,221 and investment income of \$12,664. A portion of the bond proceeds in the amount of \$3,592 has been transferred into the special redemption account in order to redeem a portion of the Series 2006 Bonds on December 1, 2008. Bonds proceeds in the amount of \$771,885 are invested in a Dreyfus Money Market Fund earning 2.20 percent per annum. Interest rates on money market funds have been declining. To be conservative, annual investment income on the reserve fund will be estimated using an interest rate of 1.00 percent. At a yield of 1.00 percent per annum, \$2,573 in investment income is estimated to be earned on the reserve fund prior to the next debt service payment on March 1, 2009. Together with the investment income previously posted to the reserve fund, these funds will be made available to pay a portion of the debt service on the Series 2006 Refunding Bonds on March 1, 2009. An additional \$7,592 in annual investment income is estimated to be earned on the bond proceeds invested in the reserve fund by March 1, 2010, which may be applied to the payment of debt service on September 1, 2009 and March 1, 2010.

(vii) Surplus from Prior Year

Table IV-3 on the following page outlines the surplus from the prior year that may be applied to pay debt service and administrative expenses for calendar year 2008. Special taxes in the amount of \$550,000 were levied in calendar year 2007 for collection in 2008. Special taxes were due on June 5th and September 5th of 2008. As of October 23, 2008, McHenry County had collected and transferred \$537,353 in calendar year 2007 special taxes to the Village of Cary, of which \$525,242 was previously transferred by the village to the trustee in October 2008. The remaining collected balance of \$12,111 will be transferred to the trustee in November 2008. The village anticipates transferring the uncollected balance of \$12,647 to the trustee when collected at tax sale and made available by McHenry County. The tax sale is scheduled for December 2, 2008 and the final distribution of special taxes to the village will take place in January 2009. To be conservative, however, the balance of the calendar year 2007 special taxes collected at tax sale is not included for the purposes of calculating the surplus from the prior year.

As of October 31, 2008, the balance in the bond and interest fund was \$630,901. Of this amount, \$51,164 will be used to redeem bonds on December 1, 2008. As a result, a portion of the available bond and interest fund and calendar year 2007 special taxes to be transferred in November in the amount of \$591,848, together with reserve fund income, will be made available to pay debt service on the Series 2006 Refunding Bonds in the aggregate amount of \$353,842 on March 1, 2009. As mentioned above, as of October 31, 2008, there was \$12,664 in investment income in the reserve fund. The investment income currently held in the reserve fund, together with an additional \$2,573 in investment income earned through March 1, 2009, will be made available to pay debt service on March 1, 2009.

The debt service payment due on March 1, 2009 includes a principal payment of \$148,000 and an interest payment of \$205,842, which is based on an annual coupon rate of 4.40 percent on the outstanding Term 2016 Bonds of \$1,661,000 and an annual coupon rate of 5.00 percent on the outstanding Term 2030 Bonds of \$6,772,000.

Table IV-3
Surplus from Prior Year

Available Funds:	
Bond and interest fund at October 31, 2008	(\$630,901)
CY07 special taxes to be transferred in November 2008	(\$12,111)
Less: funds needed for December 1, 2008 bond redemption	\$51,164
<i>Subtotal available bond and interest fund</i>	(\$591,848)
Reserve fund investment income at October 31, 2008	(\$12,664)
Estimated reserve fund interest to March 1, 2009	(\$2,573)
Available administrative expense fund	(\$15,285)
<i>Total funds available</i>	(\$622,369)
Debt Service:	
Interest payment, March 1, 2009	\$205,842
Principal payment, March 1, 2009	\$148,000
<i>Total debt service</i>	\$353,842
Administrative expenses	\$7,035
<i>Total expenses</i>	\$360,877
Surplus from prior year	(\$261,492)

As of October 31, 2008, the balance in the administrative expense fund was \$15,285. The administrative budget for calendar year 2007 was estimated to be \$22,515. As of October 31, 2008, administrative expenses totaling \$15,480 have been paid by the trustee. There is an estimated \$7,035 in unpaid administrative expenses to be funded with special taxes collected in 2008. As shown by Table IV-3, the available funds exceed the remaining expenses for the year, resulting in an aggregate surplus of \$261,492 that will be made available to pay debt service and administrative expenses for calendar year 2008.

(viii) Summary of the Special Tax Requirement

Total special service area expenses to be paid from special taxes collected in 2009 are estimated to be \$819,084. Funds available to pay these expenses, other than special taxes, are estimated to be \$269,084, resulting in a special tax requirement of \$550,000.

C. SPECIAL TAXES LEVIED AND COLLECTED

Table IV-4 on the following page provides the summary of special tax collection and delinquency history updated from the Official Statement, dated as of July 13, 2006. The table includes the calendar year in which special taxes were levied, the special tax collected and percent collected.

Special taxes were levied in 2007 for collection in 2008 in the amount of \$550,005. As of December 5, 2008, McHenry County reports collecting and transferring special taxes in the amount of \$541,337 to the Village of Cary. The village anticipates transferring the uncollected balance of \$8,668 to the trustee when collected at tax sale and made available by McHenry County.

Special taxes were levied in 2008 for collection in 2009 in the amount of \$550,002. The special taxes are due in June and September 2009. As a result, there are no delinquent special taxes for calendar year 2008 at this time. Accordingly, there are no collection efforts underway at this time for calendar year 2008 special taxes.

Table IV-4
Delinquency History

Fiscal Year	Special Tax Levied	Special Taxes Collected	Percent Collected
2001	\$570,000	\$570,000	100.0%
2002	\$730,004	\$730,004	100.0%
2003	\$746,998	\$746,998	100.0%
2004	\$730,003	\$730,003	100.0%
2005	\$750,000	\$750,000	100.0%
2006	\$600,002	\$600,002	100.0%
2007	\$550,005	\$541,337	98.4%

D. DELINQUENCY COLLECTION EFFORTS

Special taxes were levied in 2007 for collection in 2008 in the amount of \$550,005, which were due on June 5 and September 5, 2008. As of December 5, 2008, McHenry County reports collecting and transferring special taxes in the amount of \$541,337 to the Village of Cary, representing 98.4 percent of the calendar year 2007 special taxes levied. The village anticipated collecting the outstanding balance of \$8,668 at tax sale on December 2, 2008. As of December 10, 2008, McHenry County reports that calendar year 2007 tax sale collection information was unavailable.

V. *DISTRICT FINANCIAL INFORMATION*

A. SPECIAL TAX AND DEBT SERVICE COVERAGE

The following debt service schedule is adjusted to reflect the actual debt service and debt service reserve earnings as per the Continuing Disclosure Agreement. The Reserve Fund earnings, trustee and administrative fees, and adjusted debt service for the bond year ending 2010 are actual figures. The maximum special taxes for the bond year ending 2010 are based on 199 single-family home and 216 townhome parcels. Debt service reflects an additional \$93,000 in Series 2006 Refunding Bonds redeemed with prepayments through December 1, 2008. As of December 5, 2008, the outstanding Series 2006 Refunding Bonds were equal to \$8,433,000.

Table IV-1
Special Tax and Debt Service Coverage

Bond Year Ending	Debt Service	Estimated Trustee and Administrative Fees	Estimated Reserve Fund Earnings	Projected Adjusted Debt Service	Maximum Special Tax	Projected Debt Service Coverage
2007	\$551,827	\$11,622	(\$27,277)	\$536,172	\$806,174	1.50
2008	\$557,110	\$22,600	(\$37,252)	\$542,458	\$810,023	1.49
2009	\$559,684	\$22,515	(\$30,513)	\$551,686	\$817,756	1.48
2010	\$563,172	\$23,000	(\$7,592)	\$578,580	\$827,780	1.43
2011	\$581,220	\$21,227	(\$22,995)	\$579,452	\$840,197	1.45
2012	\$588,168	\$21,546	(\$22,995)	\$586,719	\$852,800	1.45
2013	\$599,456	\$21,869	(\$22,995)	\$598,330	\$865,592	1.45
2014	\$604,864	\$22,197	(\$22,995)	\$604,066	\$878,576	1.45
2015	\$613,612	\$22,530	(\$22,995)	\$613,147	\$891,754	1.45
2016	\$621,524	\$22,868	(\$22,995)	\$621,397	\$905,130	1.46
2017	\$630,600	\$23,211	(\$22,995)	\$630,816	\$918,707	1.46
2018	\$640,000	\$23,559	(\$22,995)	\$640,564	\$932,488	1.46
2019	\$649,200	\$23,912	(\$22,995)	\$650,117	\$946,475	1.46
2020	\$657,150	\$24,271	(\$22,995)	\$658,426	\$960,673	1.46
2021	\$668,850	\$24,635	(\$22,995)	\$670,490	\$975,083	1.45
2022	\$674,050	\$25,005	(\$22,995)	\$676,060	\$989,709	1.46
2023	\$688,000	\$25,380	(\$22,995)	\$690,385	\$1,004,554	1.46
2024	\$693,200	\$25,760	(\$22,995)	\$695,965	\$1,019,623	1.47
2025	\$704,000	\$26,147	(\$22,995)	\$707,152	\$1,034,917	1.46
2026	\$713,050	\$26,539	(\$22,995)	\$716,594	\$1,050,441	1.47
2027	\$725,350	\$26,937	(\$22,995)	\$729,292	\$1,066,198	1.46
2028	\$735,650	\$27,341	(\$22,995)	\$739,996	\$1,082,190	1.46
2029	\$746,950	\$27,751	(\$22,995)	\$751,706	\$1,098,423	1.46
2030	\$758,100	\$28,168	(\$22,995)	\$763,273	\$1,114,900	1.46

B. REPRESENTATIVE PROPERTY TAXES

(i) School District Number 47

Table IV-2 below describes the general ad valorem tax rate that was assessed against a randomly selected single-family home and a townhouse in the Village of Cary for calendar year 2007. According to the McHenry County treasurer’s web site, the representative calendar year 2007 tax rate for a single-family and a townhouse unit located within School District 47 was 7.3552 per \$100 of assessed value. Please note: Table IV-2 does not include the calendar year 2007 special tax, which was \$1,486 per single-family unit and \$1,171 per townhouse unit.

**Table IV-2
Representative Property Taxes**

	Detached Single Family Home	Townhouse
Market Value	\$339,399	\$190,137
Assessed Value	\$113,133	\$63,379
Multiplier	1	1
Homeowner Exemption	\$5,000	\$5,000
Taxable valuation	\$108,133	\$58,379
Taxing Agency	Tax Rate Per \$100 of Assessed Value	Tax Rate Per \$100 of Assessed Value
McHenry County	0.6871	0.6871
McHenry County Conservation District	0.1738	0.1738
Community College District	0.2634	0.2634
School District Number 47	2.6596	2.6596
School District Number 155	1.8213	1.8213
Cary Fire Department	0.3615	0.3615
Algonquin Library	0.3583	0.3583
Cary Park District	0.5080	0.5080
Algonquin Township	0.0510	0.0510
Algonquin Road and Bridge	0.1124	0.1124
Village of Cary	0.3588	0.3588
Total Tax Rate for 2007	7.3552	7.3552
Representative Ad Valorem Tax	\$7,953	\$4,294

(ii) School District Number 26

Table IV-3 on the following page describes the general ad valorem tax rate that was assessed against a randomly selected single-family home and a townhouse in the Village of Cary for calendar year 2007. According to the McHenry County treasurer’s web site, the representative calendar year 2007 tax rate for a single-family and a townhouse unit located within School District 26 was 7.3098 per \$100 of assessed value. Please note: Table IV-3 does not include the calendar year 2007 special tax, which was \$1,486 per single-family unit and \$1,171 per townhouse unit.

**Table IV-3
Representative Property Taxes**

	Detached Single Family Home	Townhouse
Market Value	\$398,949	\$205,668
Assessed Value	\$132,983	\$68,556
Multiplier	1	1
Homeowner Exemption	\$5,000	\$5,000
Taxable valuation	\$127,983	\$63,556
Taxing Agency	Tax Rate Per \$100 of Assessed Value	Tax Rate Per \$100 of Assessed Value
McHenry County	0.6871	0.6871
McHenry County Conservation District	0.1738	0.1738
Community College District	0.2634	0.2634
School District Number 26	2.6142	2.6142
School District Number 155	1.8213	1.8213
Cary Fire Department	0.3615	0.3615
Algonquin Library	0.3583	0.3583
Cary Park District	0.5080	0.5080
Algonquin Township	0.0510	0.0510
Algonquin Road and Bridge	0.1124	0.1124
Village of Cary	0.3588	0.3588
Total Tax Rate for 2007	7.3098	7.3098
Representative Ad Valorem Tax	\$9,355	\$4,646

C. DEMOGRAPHIC INFORMATION

(i) Median Household Income

Table IV-4 on the following page provides the 2007 projected household income distributions for McHenry County and the State of Illinois. According to the U.S Census Bureau's 2007 American Community Survey, the median household income for McHenry County and the State of Illinois was \$73,286 and \$54,124, respectively. The distributions of household income for the Village of Cary are based on the 2000 Census with a median income of \$76,801, as shown in the Official Statement.

Table IV-4
Median Household Income

Value	Village of Cary		McHenry County		State of Illinois	
	Number	Percent	Number	Percent	Number	Percent
Under \$10,000	90	1.8%	3,093	2.9%	325,405	6.8%
\$10,000 - \$14,999	62	1.3%	2,644	2.5%	239,256	5.0%
\$15,000 - \$24,999	169	3.4%	6,748	6.3%	493,401	10.4%
\$25,000 - \$34,999	346	7.0%	7,470	7.0%	472,212	9.9%
\$35,000 - \$49,999	561	11.4%	12,245	11.5%	659,735	13.9%
\$50,000 - \$74,999	1,153	23.4%	22,461	21.0%	925,550	19.4%
\$75,000 - \$99,999	1,175	23.9%	18,877	17.7%	623,176	13.1%
\$100,000 - \$149,999	928	18.9%	21,653	20.3%	603,011	12.7%
\$150,000 - \$199,999	303	6.2%	6,508	6.1%	209,448	4.4%
\$200,000 or more	136	2.3%	5,197	4.9%	208,385	4.4%
Total	4,923	100.0%	106,896	100.0%	4,759,579	100.0%

Source: U.S. Census Bureau 2007 American Community Survey

(ii) Housing

Table IV-5 below provides the 2007 projected home value distributions for McHenry County and the State of Illinois. According to the U.S. Census Bureau's 2007 American Community Survey, the median home values for McHenry County and the State of Illinois were \$262,100 and \$208,800, respectively. The distributions of home values for the Village of Cary are based on the 2000 Census with a median home value of \$184,100, as shown in the Official Statement.

Table IV-5
Housing

Value	Village of Cary		McHenry County		State of Illinois	
	Number	Percent	Number	Percent	Number	Percent
Under \$50,000	0	0.0%	383	0.4%	198,895	6.0%
\$50,000 - \$99,999	237	5.5%	917	1.0%	448,227	13.4%
\$100,000 - \$149,999	972	22.5%	6,007	6.6%	461,548	13.8%
\$150,000 - \$199,999	1,354	31.4%	15,249	16.9%	478,762	14.4%
\$200,000 - \$299,999	1,550	35.9%	31,945	35.3%	707,356	21.2%
\$300,000 - \$499,999	202	4.7%	27,983	30.9%	703,852	21.1%
\$500,000 - \$999,999	0	0.0%	7,557	8.4%	280,967	8.4%
\$1,000,000 or more	0	0.0%	446	0.5%	54,932	1.6%
Total	4,315	100.0%	90,487	100.0%	3,334,539	100.0%

Source: U.S. Census Bureau 2007 American Community Survey

(iii) Age Statistics

Table IV-6 below provides the age group statistics for the Village of Cary, McHenry County, and the State of Illinois. The distributions of age for the Village of Cary are based on the 2000 Census, as shown in the Official Statement.

**Table IV-6
Age Statistics**

Age Groups	Village of Cary		McHenry County		State of Illinois	
	Number	Percent	Number	Percent	Number	Percent
0 - 14 years	4,586	29.5%	70,991	22.5%	2,643,954	20.6%
15 - 34 years	3,457	22.3%	84,257	26.7%	3,615,463	28.1%
35 - 59 years	6,233	40.1%	114,931	36.4%	4,462,205	34.7%
60 - 84 years	1,189	7.7%	42,311	13.4%	1,904,557	14.8%
85+ years	66	0.4%	3,453	1.1%	226,369	1.8%
Total	15,531	100.0%	315,943	100.0%	12,852,548	100.0%

Source: U.S. Census Bureau 2007 American Community Survey

(iv) Major Area Employers

Table IV-7 below provides the list of the principal employers as reported by the Village of Cary Comprehensive Annual Financial Report for the year ended April 30, 2008.

**Table IV-7
Major Area Employers**

Employer	Employees	Rank
Sage Products, Inc.	481	1
Seaquist Perfect Dispensing	440	2
Martinez Manufacturing Inc.	340	3
True Value Manufacturing Company	240	4
Coilcraft Inc.	235	5
Durex Industries	180	6
Jewel/Osco	110	7
Sherman Mechanical, Inc.	100	8
Bartlett Manufacturing, Inc.	80	9
Federal Express Corporation	75	10

Source: Village of Cary, Illinois: 2008 Comprehensive Annual Financial Report

VI. SIGNIFICANT EVENTS

Pursuant to the continuing disclosure agreement, listed events include the following:

- i.) principal or interest payment delinquencies;
- ii.) non-payment related defaults;
- iii.) modification to rights of owners of the bonds;
- iv.) optional, contingent or unscheduled calls of the bonds;
- v.) defeasances;
- vi.) rating changes;
- vii.) adverse tax opinions or events affecting the tax-exempt status of the bonds;
- viii.) unscheduled draws on any reserve fund for the bonds reflection financial difficulties;
- ix.) unscheduled draws on any credit enhancements reflecting financial difficulties;
- x.) substitution of any credit or liquidity providers or their failure to perform;
- xi.) release, substitution or sale of property (other than the sale of homes in the ordinary course) securing repayment of the bonds.

The administrator does not have knowledge of any listed events as of the date of this report.